

Using Multiple Award Schedules: An Overview

Student Guide



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List of Acronyms and Websites

Below are acronyms that appear in this manual. The corresponding website addresses are listed when available.

AAC	Activity Address Code
AbilityOne	Formerly known as JWOD www.abilityone.gov
ADR	Alternative Dispute Resolution
A/OPC	Agency/Organization Program Coordinator
BOA	Basic Ordering Agreement
BPA	Blanket Purchase Agreement www.gsa.gov/bpa
CAE	Center for Acquisition Excellence www.gsa.gov/centerforacquisitionexcellence
CICA	Competition in Contracting Act
CCR	Central Contractor Registration www.ccr.gov
CMLS	Centralized Mailing List Service www.gsa.gov/cmls
COC	Certificate of Competency
CTA	Contractor Team Arrangement
eBuy	Electronic Request for Quotes System www.ebuy.gsa.gov
EPA	Economic Price Adjustment
EPLS	Excluded Parties List System www.epls.gov
FAPIIS	The Federal Awardee Performance and Integrity Information System www.fapiis.gov
FAR	Federal Acquisition Regulation www.acquisition.gov/far/index.html
FAS	Federal Acquisition Service www.gsa.gov/fas
FedBizOpps	Federal Business Opportunities www.FedBizOpps.gov
FPMR	Federal Property Management Regulations
FSS	Federal Supply Schedules
GFE	Government Furnished Equipment
GFI	Government Furnished Information
GFM	Government Furnished Material
GPE	Governmentwide Point-of-Entry Federal Business Opportunities www.FedBizOpps.gov
GSA	General Services Administration www.gsa.gov
GSAM	General Services Administration Acquisition Manual www.acquisition.gov/gsam
GWAC	Governmentwide Acquisition Contract www.gsa.gov/gwac
HUBZone	Historically Underutilized Business Zone
IDIQ	Indefinite Delivery/Indefinite Quantity
MFC	Most Favored Customer

MAS	Multiple Award Schedule
MOU	Memorandum of Understanding
NCSC	National Customer Service Center
OMB	Office of Management and Budget www.whitehouse.gov/omb
ORCA	Online Representations and Certifications Application https://orca.bpn.gov
PBA	Performance-based Acquisition
PL	Public Law
PPIRS	Past Performance Information Retrieval System www.ppirs.gov
PWS	Performance Work Statement
QASP	Quality Assurance Surveillance Plan
RFI	Request for Information
RFQ	Request for Quotation
SBA	Small Business Administration www.sba.gov
SIN	Special Item Number
SOO	Statement of Objectives
SOW	Statement of Work
SPOC	State Point of Contact
U.S.C.	United States Code

****For additional acronyms and websites, please review the MAS Desk Reference***

Course Introduction

Welcome to GSA's *Using Multiple Award Schedules: An Overview* training. This course is designed for the federal 1102 community working in both civilian and military agencies.

The target audience for this training is contracting professionals at all levels who seek to gain understanding or strengthen their knowledge of Multiple Award Schedules contracting and ordering procedures.

In this course, you will learn about the procedures for placing orders for supplies and services against Multiple Award Schedules as outlined in Federal Acquisition Regulation (FAR) Subpart 8.4. Other parts of the FAR that are applicable to orders placed against Schedules will be referenced as necessary. This course is not a course in general FAR procedure such as protests, acquisition planning, preparation of statements of work, and contract files management, but will discuss these topics as they relate to Schedules contracting and ordering procedures.

Course Objectives

Upon completion of this course, you should be able to identify:

- ❖ The purpose, benefits, and regulatory foundation of the MAS Program
- ❖ The importance of acquisition planning and competition when using the Schedules
- ❖ Characteristics and Schedule flexibilities relating to the acquisition life cycle including strategy, planning, and market research
- ❖ The task/delivery order administrative functions, documentation requirements, and ordering methods when using GSA Schedules



NUTS AND BOLTS TIP

These tips, identified by the icon shown here, are “how-to’s” designed to enhance the student’s learning experience.



MAS Desk Reference

As you read through this manual, look for these references for more detailed information on a particular subject.

Topic 1: Introduction to the MAS Program

GSA Mission and Objectives

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- ❑ **GSA Mission:** Use expertise to provide innovative solutions for our customers in support of their missions and by so doing, foster an effective, sustainable, and transparent government for the American people.
- ❑ **MAS Objective:** Provide Federal agencies and other ordering activities with a streamlined acquisition process for obtaining commonly used commercial services and supplies at prices associated with volume buying; aiding customers to achieve the best value possible.

Our Strategic Goals

Innovation: GSA will model and promote the future workplace, incorporating space use, technologies, practices, and a GSA-goes-first culture. We will be a green proving ground that demonstrates the full value and viability of new green technology and practices. We will generate new ideas through innovative and collaborative technologies. The GSA will test innovative solutions in its own operations and offer those solutions to other agencies through its government-wide contracting and policymaking authorities.

Customer Intimacy: GSA will aggressively integrate with customers. We will communicate better with customers through evolving social technologies; employ enterprisewide, creative, and data-based solutions to meet their increasingly difficult resource constraints, and lead with our expertise to drive the market for high-performance green products, services, and solutions that support our customer agencies' missions and their sustainability goals. The GSA will develop strategic partnerships with industry and with other federal agencies to develop new and innovative tools for more effective government.

Operational Excellence: GSA will deliver support to our customer agencies ever more efficiently. We will particularly draw upon our commitment to a zero environmental footprint in order to pull forward services and solutions that eliminate waste. The GSA will use data, evidence, and analysis to support decisions that wring out inefficiencies in operations.

GSA Business Lines

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- ☐ Public Building Service
- ☐ Office of Governmentwide Policy
- ☐ Office of Citizen Services & Innovative Technologies
- ☐ Federal Acquisition Service

GSA is composed of four primary business lines:

Public Building Service (PBS)

PBS has the following mission: *To provide superior workplaces for federal customer agencies at good economies to the American taxpayer.* PBS is the landlord for the civilian federal government. It acquires space on behalf of the federal government through new construction and leasing, and acts as a caretaker for federal properties across the country. PBS owns or leases 9,600 assets, maintains an inventory of more than 362 million square feet of workspace for 1.1 million federal employees, and preserves more than 480 historic properties. PBS is funded primarily through the Federal Buildings Fund, which is supported by rent from federal customer agencies.

Office of Governmentwide Policy (OGP)

OGP's policy making authority covers the areas of personal and real property, travel and transportation, information technology, regulatory information and use of federal advisory committees. OGP's strategic direction is to ensure that governmentwide policies encourage agencies to develop and utilize the best, most cost effective management practices for the maintenance of their specific programs.

Office of Citizen Services & Innovative Technologies (OCSIT)

The Office of Citizen Services and Innovative Technologies is the nation's focal point for data, information and services offered by the federal government to citizens. In addition, OCSIT plays a leading role in identifying and applying new technologies to effective government operations and excellence in customer service in the government.

Federal Acquisition Service (FAS)

FAS provides contracting vehicles [including the Multiple Award Schedules (MAS) program], fleet management, travel and transportation management, and Governmentwide purchase card services to federal agencies.

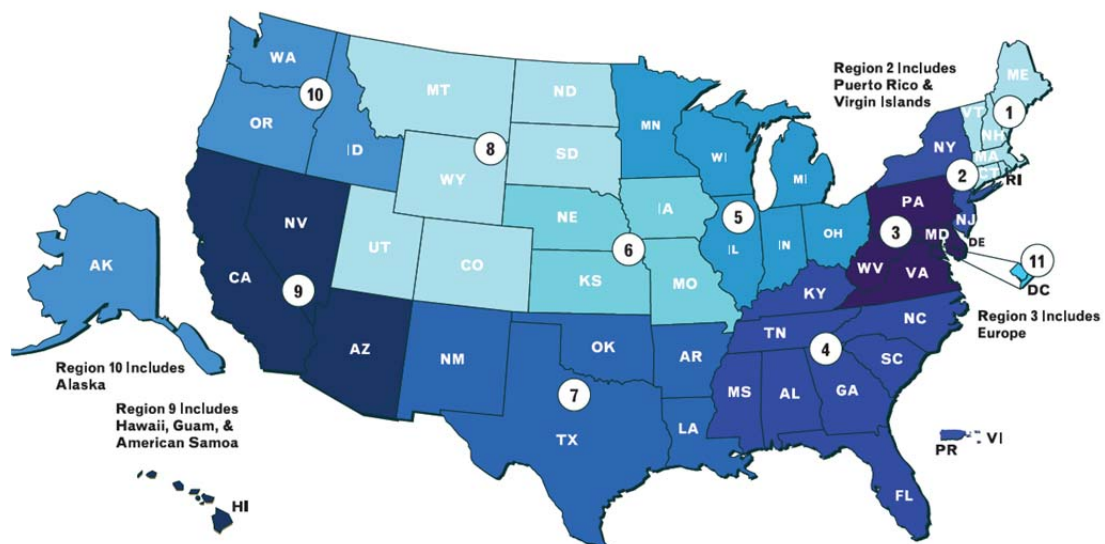
FAS Business Portfolios

(slide)

- ☐ Office of Integrated Technology Services
- ☐ Office of General Supplies and Services
- ☐ Office of Travel, Motor Vehicle and Card Services
- ☐ Office of Assisted Acquisition Services

FAS is comprised of four primary business portfolios:

- ❖ **Integrated Technology Services:** The Integrated Technology Services (ITS) organization combines many of GSA's Information Technology (IT) programs into a single FAS business portfolio. The main components of ITS are Acquisition Operations Management, IT Schedule 70, Governmentwide Acquisition Contracts (GWACs), Telecommunications and Network Services, Office of Infrastructure Optimization, Planning & Portfolio Management, and Program Support. ITS actively works with GSA's industry partners and customers to ensure that its solutions are relevant and represent the best, most up-to-date technology solutions. Customer agencies can choose from many acquisition vehicles and eTools to procure information technology, software, telecommunications products, services, and integrated solutions that best fit their acquisition and mission needs. ITS provides national program leadership across the 11 regional Network Services organizations.
- ❖ **General Supplies and Services:** The Office of General Supplies and Services (GSS) is responsible for acquisition services and comprehensive supply chain management, including excess/surplus federal property. GSS performs these activities with four business lines: Acquisition Operations, Supply Operations, Enterprise Supply Chain Solutions, and Personal Property Management.
- ❖ **Travel, Motor Vehicles, and Card Services:** The Travel, Motor Vehicles and Card Services (TMVCS) portfolio is responsible for establishing, managing, and delivering efficient and customer-centric travel, transportation, charge card, and motor vehicle products and services to the federal government. The four program offices under TMVCS are the Office of Acquisition Operations, the Office of Charge Card Management, the Office of Motor Vehicle Management, and the Office of Travel and Transportation. TMVCS strives to provide customers with the best value through competitive pricing and offer specialized expertise to help customers meet their needs.
- ❖ **Assisted Acquisition Services:** FAS' Assisted Acquisition Services (AAS) program offers value-added, customized, acquisition, project management, and financial management services for Information Technology related products and services and Professional Services to federal agencies worldwide. AAS trained staff are certified contracting, project management and financial management professionals located throughout the United States, Europe, and Asia. AAS offers expertise in formulating and executing Information Technology and Professional Services acquisitions and projects.



Statutory Authority for the MAS Program

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- ❑ GSA has the authority to procure and supply:
 - **personal property** and **non-personal services**
 - for executive agencies through the Federal Property and Administrative Services Act of 1949.
- ❑ 41 U.S.C. Sec 259 provides that GSA Schedules are considered competitive if:
 - Participation is open to all **responsible prospective contractors**; and
 - Orders and contracts result in the lowest overall cost alternative to meet the Government's needs.

Title III of the *Federal Property and Administrative Services Act of 1949* (41 U.S.C. 251 et seq.) and Title 40, U.S.C. 501, *Services for Executive Agencies*, are the two statutes that authorize the MAS program. The GSA Administrator has statutory authority to procure and supply **personal property** and **nonpersonal services** for use of the executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply.

The statute states that the use of GSA Schedules is a competitive contracting procedure since participation in the program has been open to all **responsible prospective contractors**; and orders and contracts under such procedures result in the lowest overall cost alternative to meet the needs of the government. [See FAR 8.404(a) and FAR 6.102(d).].

Responsibility for Management of MAS Program

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- ☐ The Federal Acquisition Service (FAS) within GSA manages the MAS Program.
- ☐ Schedules for medical services and supplies have been delegated to U.S. Department of Veterans Affairs (VA).

The U.S. General Services Administration (GSA) is a centralized federal procurement and property management agency designed to help federal agencies serve the public. GSA continuously seeks new supplies and services, designs innovative systems, introduces procurement models, addresses customer needs and expectations, and strives to create “Best Value” for customers.

Under a special agreement, GSA has delegated responsibility for management of Schedules for medical supplies and services to the U.S. Department of Veterans Affairs (VA). See www.fss.va.gov for more information.

Regulatory Foundation

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The Federal Acquisition Regulation (FAR)

FAR	Provides	Applicability
Subpart 8.4	Ordering procedures for GSA Schedules	Federal Government Ordering Activities
Part 12	Acquisition of Commercial Items	GSA awards Schedule contracts under Part 12
Subpart 6.102(d)(3)	Defines orders placed against Schedules as a competitive procedure	All

The **Federal Acquisition Regulation (FAR)** provides the primary regulatory guidance for the GSA Schedules program. The **General Services Administration Acquisition Regulation (GSAR)** is the GSA FAR supplement. The GSAR provides guidance tailored to GSA **acquisitions**, including GSA Schedules contracting. GSAR guidance primarily affects GSA Schedules by providing supplementary guidance to the Contracting Officers awarding and administering GSA Schedule contracts.

FAR Subpart 8.4, Federal Supply Schedules, prescribes procedures that federal government ordering activities must follow when issuing orders using GSA Schedules. Orders placed following these procedures are considered to be issued using full and open competition. (See FAR 8.404(a)).

FAR Part 12, Acquisition of Commercial Items, prescribes policies and procedures unique to the acquisition of commercial items. It implements the federal government's preference for the acquisition of commercial items contained in Title VIII of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) by establishing acquisition policies more closely resembling those of the commercial marketplace and encouraging the acquisition of commercial items and components.

FAR 6.102(d)(3), Competition Requirements, this subpart pertains to use of competitive procedures. It states use of MAS issued under the procedures established by the Administrator of General Services consistent with the requirement of 41 U.S.C. 259(b)(3)(A) for the MAS program of the General Services Administration is a competitive procedure.

What is a Multiple Award Schedule?

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- ☐ Federal Supply Schedule (FSS) - governmentwide contract vehicle for **commercial** products, services, and solutions
- ☐ Also known as “GSA Schedules”
- ☐ GSA receives Schedule contract offers through standing solicitations posted on FedBizOpps

GSA Schedules

The MAS program provides eligible ordering activities with a simplified process for obtaining supplies and services. Schedule contracts are multiple award, indefinite delivery/indefinite quantity (IDIQ) contracts, which are awarded to responsible companies that offer commercial supplies or services at fair and reasonable prices. Products and services are ordered directly from Schedule contractors.

Multiple Award Schedules are also known colloquially as “GSA numbers”, “GSA Schedules”, “GSA contracts”, “Federal Supply Schedules (FSS)”, and the “GSA list.” All of these terms are used synonymously within the federal contracting community to refer to the GSA MAS program. Through the MAS program, GSA contracts with thousands of commercial businesses that provide access to a vast array of professional services, such as management, financial, engineering, environmental, accounting, graphic design, and landscaping services. In addition to commercial services, commercial supplies range from computer hardware to office supplies.

FSS website: www.gsa.gov/schedules

MAS Schedule Facts

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- ❑ GSA offers over 25 million supplies and services
- ❑ 39 open and standing solicitations published on FedBizOpps (including 9 managed by VA)
- ❑ Over 19,000 Schedule contracts
 - 80% are small businesses
 - Orders and BPAs can be set aside for small businesses
- ❑ \$50 Billion total annual spend (including VA)

GSA Schedules provide access to over 25 million commercial supplies (products) and services at volume discount pricing. The Schedule List in the GSA eLibrary contains a list of all GSA and VA Schedules. The generic categories of supplies and services available under each Schedule may be viewed by clicking on the Schedule number in the Source column. Supplies and services are identified in each Schedule by SIN.

Special Item Numbers (SINs)

Within each Schedule are specific SINs. SINs are groups of similar (but not identical) supplies or services that are intended to meet similar customer requirements; SINs are also known as categories.

Each Schedule is comprised of multiple SINs. For example, *Schedule 874, Mission Oriented Business Integrated Services (MOBIS)*, has ten SINs:

874-1, Consulting Services

874-2, Facilitation Services

874-3, Survey Services

874-4, Training Services

874-5, Ancillary Supplies and/or Services

874-6, Acquisition Management Services

874-7, Program and Project Management

874-8, DAU and FAI Certified DAWIA Training

874-9, Off the Shelf and Customizable Print, Audio, and Visual Instructional Training Devices

874-99, New Services

GSA Schedules are awarded on an indefinite delivery and indefinite quantity (IDIQ) basis. The total quantity of services or supplies that will be acquired under the Schedule contract and the specific time for delivery of those items are not set in the contract. Schedule solicitations only include estimated total Schedule acquisition dollars for each SIN.

The quantity and names of Schedules and SINs change from time to time. GSA eLibrary (www.gsaelibrary.gsa.gov) provides a current listing of all Schedule contracts and links to additional information about each Schedule.

Common Schedule Myths

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Ø Your Agency can't add terms and conditions

- ✓ Terms and conditions may be added at the order level as long as they do not conflict with the Schedule Contract

Ø Your Agency can't seek price reductions

- ✓ Price reductions may be sought on any order, but must be asked for on orders exceeding the SAT. Contractors are not required to offer a discount.

MAS Contract Characteristics

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- ☐ Multiple Award IDIQ (5 year award, three 5 year options)
- ☐ Fixed Price EPA
- ☐ Quantity and delivery performance requirements established at the order level
- ☐ Price Reductions – discounting is allowed at anytime

Quantity and Delivery/Performance Requirements

As IDIQ contracts, the Schedules themselves contain no specific quantities. The ordering activity sets specific order quantities and specific delivery/performance requirements when issuing an order under the Schedule contract. When issuing an order:

- ❖ Delivery or performance periods and all other order requirements must conform to the applicable terms and conditions of the Schedule contract, but
- ❖ An ordering activity may add additional terms and conditions as long as they do not conflict with the Schedule contract terms and conditions.

Limits on Order Placement and Timing

In accordance with FAR 8.405-1 and 8.405-2, Schedule users:

- ❖ May issue orders for supplies, or by services not requiring a statement of work (SOW) orally, by facsimile, by paper order, or electronic commerce methods.
- ❖ May not issue oral orders when ordering services requiring an SOW. Orders by facsimile, by paper order, or electronic commerce methods are authorized.
- ❖ May place an order anytime during the effective period of the Schedule contract. Any order not completed within the period of the Schedule contract must be completed within the time specified in the order.
- ❖ May not issue oral orders for brand name items when the order exceeds \$25k.
- ❖ May not place repetitive orders for the same items, to attempt to avoid exceeding the Simplified Acquisition Threshold (SAT) and competition rules.

Negotiating Reductions from Schedule Prices

- ❖ Discounts are permitted at any time. Contractors Vendor may offer reduced prices based on specific quantities, overall volume, delivery requirements and other order-specific terms and conditions and terms.
- ❖ Contracting Officers are REQUIRED for the government buyer to REQUEST reductions for any requirement (order or BPA) in excess of the SAT.
- ❖ Vendors not required to agree to any reductions.

MAS Contract Characteristics

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Order Level Thresholds:

- ☐ At or Below the Micro-purchase threshold – place the order with any GSA Schedule contractor
- ☐ Micro-purchase – SAT – survey at least three contractors and make a best value determination
- ☐ Exceeding Simplified Acquisition Threshold (SAT) – ordering agencies must solicit or consider multiple sources and must seek price reductions

Any item under the micro-purchase threshold may be purchased without competition. This enables the ordering agency to quickly acquire what it needs. Although use of small businesses is preferred, it is not mandatory.

For items over the micro-purchase threshold but not over the SAT, written quotations are not required, use of eBuy is not mandated, and ordering agencies may review at least three Schedules and choose the combination of products and services that represent the best value to the agency. Preference should be given to small businesses.

The competition requirements for purchases over the SAT have changed for civilian agencies; they now match DOD's requirements. Agencies must solicit enough vendors to ensure receipt of at least three quotations, they must seek price reductions, and use of eBuy will ensure that a sufficient number of vendors have been made aware of the requirement. If fewer than three quotations are received, the Contracting Officer must document the file to explain the result, including stating what should be done the next time to ensure more competition.

Quantity and delivery/performance requirements. The Schedules themselves contain no specific quantities, other than minimum and maximum order threshold amounts. The ordering activity sets specific order quantities and specific delivery/performance dates when issuing an order under the Schedule contract.

When issuing an order, delivery or performance periods and all other order requirements must conform to the applicable terms and conditions of the Schedule contract, however an ordering activity may add additional terms and conditions as long as they do not conflict with the Schedule contract.



NUTS AND BOLTS TIP

It's a good practice for Contracting Officers to contact companies to whom orders have been awarded to ensure acceptance. Otherwise, the best indication of order acceptance is that the contractor performs or delivers. The Contracting Officer can learn of acceptance prior to the end of five days by calling the contractor.

FAR Applicability to Schedules

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FAR	Title	Applicable
Part 13	Simplified Acquisition Procedures	NO (except allows for MAS BPAs)
Part 14	Sealed Bidding	NO
Part 15	Contracting by Negotiation	NO
Part 19	Small Business Programs	NO (except Bundling)
Part 36	Construction and A&E	NO
Part 7	Acquisition Planning	YES
Part 10	Market Research	YES
Subpart 17.5	Interagency Acquisitions	YES
Subpart 33.1	Protests	YES
Subpart 37.6	Performance Based Acquisition	YES
Part 39	Acquisition of Information Technology	YES

Common Schedule Myth

(slide)

Ø Your Agency can't use it

- ✓ All federal agencies and many other entities may use GSA Schedules (See www.gsa.gov/portal/content/104212)

Authority to Use a GSA Schedule

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<u>Organizations</u>	<u>Purchasers</u>
<input type="checkbox"/> Executive agencies	<input type="checkbox"/> Contracting officers
<input type="checkbox"/> Other Federal agencies	<input type="checkbox"/> Holders of Governmentwide commercial purchase cards
<input type="checkbox"/> Mixed-ownership Government corporations	<input type="checkbox"/> Those otherwise authorized by the agency or activity to order using GSA Schedules
<input type="checkbox"/> The District of Columbia	www.gsa.gov/eligibilitytouse
<input type="checkbox"/> Government contractors authorized IAW FAR 51.1	
<input type="checkbox"/> Other activities authorized by statute or regulation	

An activity can place orders using a GSA Schedule if the activity is authorized to use GSA Schedules and the Schedule user:

- ❖ Is a Contracting Officer ;
- ❖ Has a governmentwide commercial purchase card (subject to established limits on card use); or
- ❖ Is otherwise authorized by the agency or activity to order using GSA Schedules.

An activity must be authorized to use GSA Schedules by statute or regulation. A list of activities authorized to use Schedules is presented in GSA Order ADM 4800.2F, Eligibility to Use GSA Sources of Supply and Services (www.gsa.gov/graphics/fas/GSAOrderADM4800_2F.pdf). Acquiring activities should check with management if they believe that the activity is authorized to use GSA Schedules, but is not on the list.

Receipt of a federal grant does not authorize an activity to use GSA Schedules. In addition, a cost-reimbursement contractor cannot transfer procurement authorization to a third-party leasing company to use GSA Schedules.

Any activity requesting an eligibility determination should submit its request to the GSA Office of Governmentwide Policy, Attention: Office of Acquisition Policy (MV).



MAS Desk Reference

For more on eligibility, refer to the *MAS Desk Reference*, page 6.

Use of Government Supply Sources for Products

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When supplies are needed, ordering activities should first check if they can get the supplies from their own agency's existing inventory. If not, they should check with other agencies to see if they can buy the needed supplies from other agencies' existing stock. Information regarding the availability of other agencies' supplies can be obtained by:

- ❖ Reviewing GSA's excess personal property catalogs and bulletins;
- ❖ Talking with someone at GSA or the activity holding the property;
- ❖ Submitting supply requirements to GSA regional offices using GSA Form 1539, Request for Excess Personal Property; or
- ❖ Examining and inspecting GSA regional office reports.

If the supply is not in stock, the purchaser should continue going down the priority list. Once all sources are exhausted, the ordering activity can go to commercial sources other than Schedules (i.e., **open market acquisition**), including educational and nonprofit institutions.



MAS Desk Reference

For more on Priorities, refer to the **MAS Desk Reference: Section 1.**

Priority Use of Government Supply Sources for Services

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FAR 8.002 prioritizes the order in which purchasers must consider various sources when looking to buy services. The ordering activity must check first with the services on the Procurement List maintained by the Committee for Purchase from People Who Are Blind or Severely Disabled (AbilityOne). If the services are not available, continue through the sources until all three are exhausted. If nothing is available there or if the services involve classified or sensitive information, the purchaser can look to make purchases throughout other commercial sources on the open market acquisition.

Note: Acquiring activities should determine if the required service or supply is available through GSA Schedules before considering any other commercial source.



MAS Desk Reference

For more on Priorities, refer to the *MAS Desk Reference: Section 1.*

What Services are Available on Schedule?

(slide)

- | | |
|--|---|
| <input type="checkbox"/> Environmental Services | <input type="checkbox"/> Information Technology Services |
| <input type="checkbox"/> Professional Engineering Services | <input type="checkbox"/> Advertising and Marketing Services |
| <input type="checkbox"/> Logistics Services | <input type="checkbox"/> Financial and Business Solutions |
| <input type="checkbox"/> Language Services | <input type="checkbox"/> Security Solutions |
| <input type="checkbox"/> Management and Consulting Services (including Training) | <input type="checkbox"/> Facilities Maintenance |
| <input type="checkbox"/> Temporary Administrative and Professional Services | <input type="checkbox"/> Disaster Relief |

Note: For a comprehensive list of services please visit [GSA eLibrary](#).

GSA Schedule Contract Fundamentals

Solicitations for GSA Schedule contracts are “standing solicitations” issued through FedBizOpps. Vendors wishing to become GSA Schedule contractors may submit an offer at any time. More information on Schedule solicitations may be found at www.gsa.gov/schedulesolicitations. GSA Schedule contracts have a base period of five years, with three additional five-year option periods.

Ordering activities issue delivery or task orders against the contract. For services, the task orders specify the scope, milestones, timeframe, and price for the requirements. Options may be included on orders placed against Schedule contracts and options may be exercised, provided that:

- ❖ Funds are available
- ❖ The requirement covered by the option fulfills an existing government need
- ❖ Prior to exercising an option, the ordering activity ensures that it is still in the government’s best interest, with price and other factors considered
- ❖ The order options do not extend beyond the period of the Schedule contract options

Acquisition of Commercial Services

FAR 11.002(a)(2)(iii) requires that, to the maximum extent practicable, offerors of commercial items be provided an opportunity to compete for any government contract. If the use of commercial services is precluded, purchasers may lose the benefits of commercial item innovations. Failure to define a service requirement as a commercial item will also prevent purchasers from using Schedule contracts and participating in the related benefits.

Purchasers should describe services requirements in a way that permits sellers providing commercial services to compete. Preferably, a performance-based approach should be used, in accordance with FAR Subpart 37.6, so that procurement is results based.



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 12:List of GSA Multiple Award Schedules*.

What Supplies are Available on Schedule?

(slide)

- | | |
|--|---|
| <input type="checkbox"/> Office Supplies and Equipment | <input type="checkbox"/> Information Technology Products |
| <input type="checkbox"/> Tools and Hardware | <input type="checkbox"/> Vehicles and support equipment |
| <input type="checkbox"/> Building and Industrial Materials | <input type="checkbox"/> Appliances and Food Services |
| <input type="checkbox"/> Furniture | <input type="checkbox"/> Law enforcement, Fire, and Security Products |
| <input type="checkbox"/> Scientific Equipment | |

Note: For a comprehensive list of services please visit *GSA eLibrary*.

Commercial Items and MAS

The FAR definition of “commercial items” as found at FAR 2.101(b) includes both supplies/commodities and services. It is very broad and includes all of the following types of items as commercial items:

Nongovernmental items: A supply of a type customarily used by the general public or by nongovernmental entities for other than governmental purposes and has been sold, leased, or licensed to the general public; or has been offered for sale, lease, or license to the general public.

Evolved nongovernmental items: A nongovernmental item that:

- ❖ Evolved from an item customarily used for nongovernmental purposes through advances in technology or performance; and
- ❖ Will be available in the commercial marketplace in time to satisfy the delivery requirements under a solicitation.

Modified versions of either of these item types: An item that would be considered a nongovernmental item or an evolved nongovernmental item if it were not for one of the following:

- ❖ Modifications of a type customarily available in the commercial marketplace
- ❖ Minor modifications of a type not customarily available in the commercial marketplace that must be made to meet federal government requirements

A minor modification does not significantly alter the nongovernmental function or essential physical characteristics of an item or component, or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final item. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor.

Topic 2: Benefits of the MAS Program

MAS Value Proposition

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Realize cost savings

- ☐ Up-to-date, FAR-compliant acquisition vehicles that help minimize risks
- ☐ Competitive market-based pricing that leverages the buying power of the Federal government, with the ability to negotiate further discounts at the order level
- ☐ Acquisition experts available to help customers make the most of MAS
- ☐ On-site and online training for help in using MAS

Pricing: GSA Contracting Officers negotiate fair and reasonable prices for order quantities less than or equal to the maximum order threshold, which is established at the contract level by Special Item Number (SIN). Schedule contracts typically include prices that are the same as or better than the prices the Schedule contractors offer to their best commercial customers. The pricing offered to the best commercial customer is identified as “most favored customer” (MFC) pricing.

Savings: The MAS program provides ordering activities with competitively awarded contracts to increase the productivity and capacity of scarce acquisition resources. In addition, the program offers quick and easy access to the right industry partners, allowing customers to make the most use of their valuable time.



MAS Desk Reference

For more on the MAS Value Proposition, refer to the *MAS Desk Reference*, page 5.

MAS Value Proposition

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Experience flexibility and choice

- ☐ The ability to tailor orders to get what you need by customizing terms and conditions at the order level
- ☐ Alternatives such as blanket purchase agreements (BPAs) and contractor team arrangements (CTAs) that can replace the need for agency indefinite delivery/indefinite quantity contracts
- ☐ Decision tools and contracting solutions proven to meet complex requirements
- ☐ A vast selection of contractors offering expert solutions for services and products
- ☐ May set-aside orders for small business at Contracting Officers discretion

Flexibility: Ordering activities have the flexibility to:

- ❖ Conduct best value procurements considering relevant “best value” factors
- ❖ Obtain a total solution to large or complex requirements using a Schedule Contractor Team Arrangement (CTA)
- ❖ Establish a long-term relationship with a Schedule contractor or group of Schedule contractors using a Schedule Blanket Purchase Agreement (BPA) [Note that single award BPAs may not exceed one year, with up to 4 one-year options, per FAR 8.405-3(d)(2).]
- ❖ Include additional terms and conditions [e.g., a rating under the Defense Priorities and Allocations System (DPAS)] as long as they do not conflict with Schedule contract terms and conditions
- ❖ Section 1331 of the Small Business Jobs Act of 2010 (SBJA) created a change effective November 2, 2011. Contracting Officers can now, at their discretion, set aside orders and BPAs to small business or subset of small business (8.405-5(a))

Governmentwide Purchase Card (GPC) acceptance. All Schedule contractors must accept the GPC for orders not exceeding the micro-purchase threshold. However, many Schedule contractors accept the GPC for orders of any amount. Contracting Officers may use the GPC as a method of payment for orders up to their warrant limit. Cardholders must follow local agency guidelines for use of the GPC.

Extensive range of products/services: The wide variety and large number of Schedule contractors allow ordering activities to access an extensive range of supplies and services to

satisfy their requirements. More than 19,000 Schedule contractors offer over 20 million supplies and services. These contractors are among the best firms in their industries, from small innovative companies to Fortune 500 firms. In addition, contractors can form Contractor Team Arrangements (CTAs) to meet large or unusually complex government requirements.

MAS Value Proposition

(slide)

Save time

- ☐ Pre-competed, on-demand contracts to increase the productivity and capacity of scarce acquisition resources
- ☐ Quick and easy access to the right industry partners, allowing customers to make the most use of their valuable time

Use of FAR Subpart 8.4 procedures significantly reduces the time required for competing for goods and/or services. Orders can be awarded in days or weeks, rather than months. Additionally, nearly every company wishing to do business with the federal government starts out with a GSA Schedule contract. Therefore, it is highly probable that the firms an agency would like to see compete for their business will be on GSA Schedule.

MAS Value Proposition

(slide)

Realize transparency

- ☐ A suite of eTools that can be leveraged to identify qualified contractors, maximize competition, and assist customers in reaching their socioeconomic goals
- ☐ Business intelligence into customer purchasing patterns when using our eTools

GSA eTools make it fast and easy to identify qualified contractors, maximize competition, and assist customers in reaching their socio-economic goals.

MAS Value Proposition

(slide)

Control the procurement

- ☐ Self-service access that allows agency contracting offices to retain control of their procurements, including requirements development, evaluation, award and administration
- ☐ Full service options when in-house resources are tapped with other pressing projects

The MAS program provides ordering activities with both self-service access and full-service access to Schedule contractors. Activities that are at full capacity and do not have time to properly focus on the entire procurement process can use the full-service option to gain additional support. The self-service option allows agency contracting offices to retain control of their procurements, including requirements development, evaluation, award and administration.

GSA Schedules Conform with Competitive Contracting

(slide)

Schedule users shall not:

- Seek further competition outside of the MAS program
- Synopsise the requirement

Agency Goals

(slide)

MAS schedules can help agencies meet their:

- Socioeconomic goals
- Sustainability/Environmental goals

Socioeconomics

Every agency has negotiated annual socioeconomic goals with the Small Business Administration, i.e., a certain percentage of contract dollars must go to each type of small and disadvantaged business included in FAR Part 19 (small businesses, HUBzone businesses, women-owned, veteran-owned, etc.).

Sustainability

Sustainable means to create and maintain conditions, under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic, and other requirements of present and future generations of Americans.

MAS Supports Small Business Utilization

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- ☐ MAS Program promotes small business through socioeconomic preference or set-asides
- ☐ FAR Part 19, *Small Business Programs*
 - Applies to Schedule contracts
 - Does not apply to orders
- ☐ Exception to FAR 19 applicability at the order level:
 - Bundling (FAR19.202-1(e)(1)(iii))
 - Size standard criteria

Meeting Agency Socioeconomic Goals

The mandatory preference programs of FAR Part 19, *Small Business Programs* (e.g., small business set-aside or HUBZone set-aside) generally do not apply. However, some entire Schedules and certain categories (SINs) within other Schedules have been set-aside for small business. For example, Schedule 736, Temporary and Administrative Staffing, has been set-aside and only small business firms receive contracts under this Schedule.

Section 1331 of the Small Business Jobs Act of 2010 (SBJA) created a change effective November 2, 2011. Contracting Officers can now, at their discretion, set aside orders and BPAs to small business or subset of small business (8.405-5(a))

For orders exceeding the micro-purchase threshold, ordering activities should give preference to small business concerns when two or more contractors can satisfy the requirement at the same delivered price. (See FAR 8.405-5(c)).

The socioeconomic status of Schedule contractors may be viewed at www.gsaelibrary.gsa.gov.



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 5*.

MAS Supports Small Business Utilization, Cont.

(slide)

Non Set-Aside orders

- ☐ Consider at least one small business prior to placing an order (8.405-5(c))
- ☐ Give preference to small business if you have at least two (2) quotes at the same delivered price from small business (8.405-5(d))
- ☐ Encourage use of Contractor Team Arrangements (CTAs)
- ☐ No limitation on subcontracting
- ☐ Ordering activity receives socioeconomic credit (8.405-5(b))
- ☐ Consider socioeconomic status as a primary evaluation factor (8.405-5(c))
- ☐ May choose small business subcontracting as an evaluation factor

FAR Part 19: Small Business Programs

(slide)

- ❑ Part 19 generally does not apply to schedules orders – (See 8.404(a))
 - FAR 8.405-5 provides policy for Schedules set-asides
- ❑ **19.502-4 Multiple-award contracts and small business set-asides.**
 - Contracting officers may, at their discretion—
 - (c) Set aside orders placed under multiple-award contracts for any of the small business concerns identified in FAR 19.000(a)(3)...
 - “For Federal Supply Schedules Program orders see FAR 8.405-5.”
- ❑ **19.508(c)** requires clauses for total and partial set-asides as well as limitations on subcontracting be added to orders under MAS.

FAR 19.508(c) requires use of the following FAR 52.219-6 clause when a MAS set-aside is involved:

Notice of Total Small Business Set-Aside (Nov 2011)

(a) *Definition.* “Small business concern,” as used in this clause, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.

(b) *Applicability.* This clause applies only to—

(1) Contracts that have been totally set aside or reserved for small business concerns; and

(2) **Orders set aside for small business concerns under multiple-award contracts as described in 8.405-5 and 16.505(b)(2)(i)(F).**

(c) General.

(1) Offers are solicited only from small business concerns. Offers received from concerns that are not small business concerns shall be considered nonresponsive and will be rejected.

(2) Any award resulting from this solicitation will be made to a small business concern.

(d) *Agreement.* A small business concern submitting an offer in its own name shall furnish, in performing the contract, only end items manufactured or produced by small business concerns in the United States or its outlying areas. If this procurement is processed under simplified acquisition procedures and the total amount of this contract does not exceed \$25,000, a small business concern may furnish the product of any domestic firm. This paragraph does not apply to construction or service contracts.

FAR Subpart 8.405-5 – Small Business

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- ❑ **8.405-5(a)** – Preference programs of Part 19 are not mandatory
- ❑ **8.405-5(a)(1)** – Set-asides are discretionary for orders and BPAs for small business concerns identified in 19.000(a)(3)
- ❑ **8.405-5(a)(2)** – Follow the ordering procedures at [8.405-1](#), [8.405-2](#), and [8.405-3](#) as applicable
 - The specific small business program eligibility requirements identified in Part 19 apply

8.405-5 Small business.

(a) Although the preference programs of part [19](#) are not mandatory in this subpart, in accordance with section 1331 of Public Law 111-240 ([15 U.S.C. 644](#)(r))—

- (1) Ordering activity contracting officers may, at their discretion—
 - (i) Set aside orders for any of the small business concerns identified in [19.000](#)(a)(3); and
 - (ii) Set aside BPAs for any of the small business concerns identified in [19.000](#)(a)(3).
- (2) When setting aside orders and BPAs—
 - (i) Follow the ordering procedures for Federal Supply Schedules at [8.405-1](#), [8.405-2](#), and [8.405-3](#); and
 - (ii) The specific small business program eligibility requirements identified in part [19](#) apply.

(b) Orders placed against schedule contracts may be credited toward the ordering activity's small business goals. For purposes of reporting an order placed with a small business schedule contractor, an ordering agency may only take credit if the awardee meets a size standard that corresponds to the work performed. Ordering activities should rely on the small business representations made by schedule contractors at the contract level

(c) Ordering activities may consider socio-economic status when identifying contractors(s) for consideration or competition for award of an order or BPA. At a minimum, ordering activities should consider, if available, at least one small business, veteran-owned small business, service disabled veteran-owned business, HUBZone small business, women-owned small business, or small disadvantaged business schedule contractors(s). GSA Advantage! and Schedules eLibrary at <http://www.gsa.gov/fas> contain information on the small business representations of Schedule contractors.

(d) For orders exceeding the micro-purchase threshold, ordering activities should give preference to the items of small business concerns when two or more items at the same delivered price will satisfy the requirement.

FAR Subpart 8.405-5 – Small Business

(slide)

- ❑ 8.405-5(b) – Orders placed against schedule contracts may be credited toward the ordering activity's small business goals.
 - For purposes of reporting, an ordering agency may only take credit if the awardee meets a size standard that corresponds to the work performed
 - Ordering activities should rely on the small business size representations made at the Schedule contract level
- ❑ Agencies do not need to make a separate size determination at the order level, however...
 - GAO has upheld agencies' right to request a recertification at the order level (CMS Information Services Inc., B-290541, Aug. 7, 2002)

8.405-5 Small business.

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(c) Ordering activities may consider socio-economic status when identifying contractors(s) for consideration or competition for award of an order or BPA. At a minimum, ordering activities should consider, if available, at least one small business, veteran-owned small business, service disabled veteran-owned business, HUBZone small business, women-owned small business, or small disadvantaged business schedule contractors(s). GSA Advantage! and Schedules eLibrary at <http://www.gsa.gov/fas> contain information on the small business representations of Schedule contractors.

(d) For orders exceeding the micro-purchase threshold, ordering activities should give preference to the items of small business concerns when two or more items at the same delivered price will satisfy the requirement.

Size determinations for contractors are also shown in each contractor's GSA Schedule Contract pricelist. In accordance with SBA Regulations and the FAR. The size determination made at contract award applies for the life of that contract unless one of three events occurs and the contractor is then required to update its size: 1. Novation, 2. Merger or Acquisition, and 3. Option exercise of the Schedule contract. Ordering activities should rely on the information found on eLibrary and GSA *Advantage!*.

Certification Requirements for MAS Contracts

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- ☐ MAS contracts size standard certification is generally valid for 5 years
- ☐ Firms must recertify at the time of an option exercise
 - Exceptions:
 - Novation (within 30 days after effective)
 - Merger or Acquisition (within 30 days after effective)
- ☐ See FAR 19.301-2

FAR 19.301-2(b)(3) includes the following requirements for recertification prior to exercise of options plus for novations and mergers or acquisitions:

“A contractor that represented itself as a small business concern before contract award must rerepresent its size status for the North American Industry Classification System (NAICS) code in the contract upon the occurrence of any of the following:

(1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include the clause at [52.219-28](#), Post-Award Small Business Program Representation, if the novation agreement was executed prior to inclusion of this clause in the contract.

(2) Within 30 days after a merger or acquisition of the contractor that does not require novation or within 30 days after modification of the contract to include the clause at [52.219-28](#), Post-Award Small Business Program Representation, if the merger or acquisition occurred prior to inclusion of this clause in the contract.

(3) For long-term contracts—

- (i) Within 60 to 120 days prior to the end of the fifth year of the contract; and
- (ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.”

Required Clauses

(slide)

These clauses are being added to the Schedule contracts. However, this should be verified through Contracts Online. If the Schedule contract has not been modified to add the clauses, the ordering activity contracting officer should incorporate the applicable clause(s) into the RFQ.

Clause	Title
52.219-3	<i>Notice of HUBZone Set-Aside or Sole Source Award (Nov-2011)</i>
52.219-6	<i>Notice of Total Small Business Set-Aside (Nov-2011)</i>
52.219-13	<i>Notice of Set-Aside of Orders (Nov-2011)</i>
52.219-14	<i>Limitations on Subcontracting (Nov-2011)</i>
52.219-27	<i>Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (Nov-2011)</i>
52.219-29	<i>Notice of Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (Nov-2011)</i>
52.219-30	<i>Notice of Set-Aside for Women-owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (Nov-2011)</i>

Incorporate clauses into Requests for Quotes (RFQs) (until Schedules are modified). GSA is in the process of modifying its existing vehicles to include all appropriate set-asides clauses. Contracting Officers can visit Contracts Online (accessed through gsaelibrary.gsa.gov) to view a listing of the Schedule contracts with their current clauses to see which Schedule contracts have been modified. Before all MAS contracts have been modified to incorporate set-aside clauses, Contracting Officers shall incorporate the following FAR clauses, if applicable, in all RFQs:

52.219-13 Notice of Set-Aside of Orders (NOV 2011)

52.219-3 Notice of HUBZone Set-Aside or Sole Source Award (NOV 2011)

52.219-6 Notice of Total Small Business Set-Aside (NOV 2011)

52.219-14 Limitations on Subcontracting (NOV 2011)

52.219-27 Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (NOV 2011)

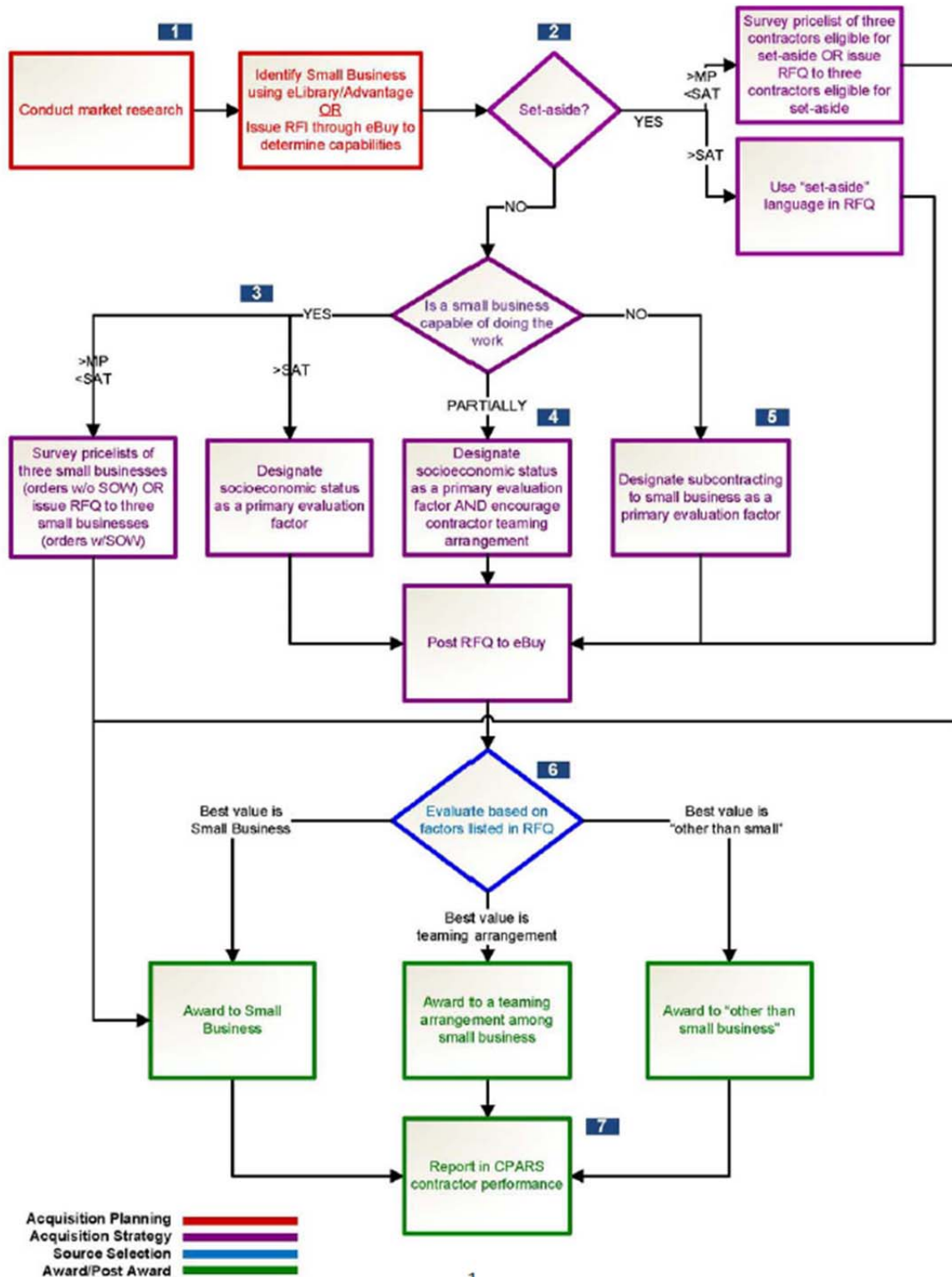
52.219-29 Notice of Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (NOV 2011)

52.219-30 Notice of Set-Aside for Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program

Process for Effective Accomplishment

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The Acquisition Process and Small Businesses when using GSA Schedules



EXPLANATION OF PROCESS STEPS

1. Conduct market research.

Ordering activities should utilize GSA Advantage!® and GSA eLibrary to identify small businesses capable of meeting the requirement. Through Advantage!®, ordering activities can find all contractors who provide the supply/product required and view the socioeconomic status of each contractor. Through eLibrary, ordering activities can find all contractors under the Special Item Number (SIN) associated with the required supply or service; ordering activities can then go one step further and filter the list of contractors by any specific socioeconomic category desired.

If a search on *Advantage!®* and eLibrary does not result in any possible small business sources, ordering activities may also consider issuing a Request for Information (RFI) on eBuy to determine the capabilities of small businesses in the relevant SINs and to identify small businesses capable of doing the work. An RFI is also a good idea when trying to determine whether your order is eligible for a set-aside (either for small business in general or for one of the small business sub-types listed in FAR 19.000(a)(3)); in order to do a set-aside, there has to be at least two (2) small business (or whatever sub-type the set-aside will be for) Schedule-contractors that are capable of doing the work, taking into account the limitations on subcontracting.

After conducting market research, ordering activities should be able to answer the question, “Is a small business capable of doing the work?”

2. Set-aside determination

It is the ordering activity’s discretion whether to set-aside an order. This discretion can be exercised once two conditions are met: 1) there must be at least two (2) small business (or whatever sub-type the set-aside will be for) Schedule contractors that are capable of doing the work, taking into account the limitations on subcontracting; and, 2) your requirement must meet the small business program eligibility requirements for set-asides. Currently, only the 8(a) and Women-Owned Small Business (WOSB) set-aside programs have eligibility requirements.

In the event that the ordering activity exercises its discretion and the order is eligible for a set-aside, the ordering procedures in FAR 8.405-1 and FAR 8.405-2 need to be followed. This means that for orders above the micropurchase threshold but below the Simplified Acquisition Threshold (SAT), the ordering activity can either review the pricelist of 3 Schedule contractors that are eligible for the set-aside (e.g. small businesses for small business set-aside, HubZones for Hubzone set-asides) if the order is for supplies or services not requiring a SOW or send an Request for Quote (RFQ) to at least 3 Schedule contractors that are eligible for the set-aside for orders that require a SOW. For orders above the SAT, the RFQ needs to be posted on eBuy or sent to enough eligible Schedule contractors so that at least 3 quotes are received. For set-aside orders, ordering activities should consider using the following language in the RFQ:

This is a notice that this order is a total set aside for [insert either “small business concerns” or specify a type of small business concern]. Only quotes submitted by [insert either “small business concerns” or specify a type of small business concern] will be accepted by the Government. Any quote that is submitted by a contractor that is not [insert either “a small business concern” or specify a type of small business concern] will be immediately rejected.

3. A small business is capable of doing the work in its entirety (no setting-aside of order).

If the ordering activity has determined that a small business can meet the whole requirement alone, as long as there is no limitation on subcontracting, it has two options depending on the estimated order value:

- ❖ For orders above the micropurchase threshold but below the SAT, the ordering activity can either review the pricelist of 3 small business Schedule contractors if the order is for supplies or services not requiring a SOW or send an RFQ to at least 3 small business Schedule contractors for orders that require a SOW. The ordering activity can then place an order with the Schedule contractor that represents the best value.
- ❖ For orders above the SAT, the RFQ needs to be posted on eBuy or sent to enough Schedule- contractors so that at least 3 quotes are received. Since posting to eBuy will make the RFQ available for viewing by all Schedule contractors awarded the relevant SINs, the ordering activities should designate socioeconomic status as a primary evaluation factor in the RFQ. For additional guidance on how to use socioeconomic status as an evaluation factor, see the sample RFQ language posted on gsa.gov/schedulesandsbgoals.

4. A small business is capable of only doing part of the work on its own.

If market research reveals that there is no small business that can meet the requirement as a whole but there are small businesses that can each cover portions of the entire requirement, ordering activities can designate socioeconomic status as a primary evaluation factor and also encourage contractor teaming arrangements (CTAs) in the RFQ. The RFQ can then be posted on eBuy which will result in all Schedule contractors awarded the relevant SIN(s) to be able to view the document. While posting on eBuy will result in the RFQ being viewable by large businesses awarded the relevant SIN(s), designation of socioeconomic status as an evaluation factor and the CTA language in the RFQ will prompt them to find a small business (or businesses) to partner with in responding to the requirement. Posting on eBuy will also ensure that a sufficient number of small businesses (i.e. all those awarded the relevant SIN(s)) have access to the RFQ so that there is a greater probability of receiving responses from CTAs made up solely between small businesses. For sample RFQ language on evaluating CTAs for the socioeconomic status factor, visit gsa.gov/schedulesandsbgoals.

5. A small business is not capable of doing any part of the work.

If market research reveals that the requirement can only be met by an other than small business, ordering activities can still utilize small business by designating subcontracting to small businesses as a primary evaluation factor. Ordering activities can then post the RFQ to eBuy.

6. Evaluate the quotes.

In any situation, quotes must always be evaluated in accordance with the evaluation factors listed in the RFQ.

7. Report in CPARS contracting performance.

Recent rulings require ordering activities to report past performance and other responsibility-related determinations into the Contractor Performance Assessment Reporting System (CPARS).

Regardless of whether the BPA/task order was placed with a small business, a CTA, or an other than small business, ordering activities need to report past performance for the contractor in CPARS. Positive past performance will assist the small businesses with being awarded BPAs/orders in the future.

RFQ Language

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The Contracting Officer should include the following language in the RFQ:

This is a notice that this [insert either “order” or “Blanket Purchase Agreement”] is a total set aside for [insert either “small business concerns” or specify a type of small business concern]. Only quotes submitted by [insert either “small business concerns” or specify a type of small business concern] will be accepted by the Government. Any quote that is submitted by a contractor that is not [insert either “a small business concern” or specify a type of small business concern] will not be considered for award.

Note: If using eBuy and selecting “set aside” this language will be included in the RFQ automatically.

Include this notice in RFQs when a set-aside is used. It is included automatically when using eBuy. It's important that the notice be in a prominent location at the beginning of the document to alert small businesses of the opportunity but also to notify other than small firms so they do not waste their resources pursuing something for which they do not qualify.

Re-cap

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Set-Aside	Non-Set-Aside
Ordering activity may conduct discretionary set-asides	Ordering activity should give preference to small business if at least two
FAR Part 19 does not apply – See 8.405-5 (ordering procedures come from 8.405-1, 8.405-2, or 8.405-3)	May use socioeconomic status as an evaluation factor
Limitations on subcontracting apply	No limitations on subcontracting
NMR applies	NMR does not apply
Ordering activity receives socioeconomic credit	Ordering activity receives socioeconomic credit
No “rule of two” – Must ensure competition requirements in 8.405-1, 8.405-2, or 8.405-3 are met	

Meeting Agency Goals: Going “Green”

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What do we mean by “Green”?

- ❑ “**Green purchasing**” or “**sustainable acquisition**” refers to purchasing products with these attributes and purchasing services under which these products will be supplied or used.
- ❑ Federal agencies are required by statutes and executive orders to purchase certain products with specific environmental or energy attributes.
- ❑ For example, janitorial services contracts usually require the contractor to supply replacement paper towels, toilet paper, and plastic trash can liners, all of which can be made from recycled materials.

Meeting Agency Sustainability Goals

Federal agencies are required by statutes and executive orders to purchase certain products with specific environmental or energy attributes. E.O. 13423, *Strengthening Federal Environmental, Energy, and Transportation Management*, set acquisition-related goals for purchasing green products, alternative fuel vehicles, sustainable buildings, and green IT. E.O. 13514, *Federal Leadership in Environmental, Energy, and Economic Performance*, set a goal that 95% of contract actions must require green products.

GSA is committed to provide world-class products and services that minimize harm to the environment, safety, and health. GSA is greening the Multiple Award Schedules to add more green products and to limit certain products to green-only offerings, such as Energy Star appliances. GSA is living up to this commitment, not only in regards to the products and services we provide customers, but also in the way we conduct internal operations. Learn more at www.gsa.gov/green.

Explanation of the 95% Goal in E.O. 13514

Section 2(h) of E.O. 13514 requires agencies “to ensure that 95 percent of new contract actions including task and delivery orders, for products and services” include green product requirements “where such products and services meet agency performance requirements.” What does this mean?

The E.O requirement does not apply to all contract actions. It applies to *applicable* contract actions. As explained over the next few pages, “applicable” contract actions are for the purchase of one or more products designated in the Federal green purchasing program or for the purchase of services in which products will be supplied or used. The types of contract actions are:

- ❖ New contracts issued in the first quarter of FY 2011, including BPAs

- ❖ Solicitations for new contracts, even if the expected award will be in a subsequent quarter
- ❖ Modifications to existing contracts to add green product requirements
- ❖ Task orders under existing multi-year contracts
- ❖ Indefinite Delivery Indefinite Quantity (IDIQ)
- ❖ Multiple Award Contracts
- ❖ Multiple Award Schedules
- ❖ Requirements Contracts

Environmental Program Scope

(slide)

- ☐ Recycled content products
- ☐ Energy-efficient and water-efficient products
 - ❖ Standby power devices
 - ❖ EPEAT-registered products
 - ❖ WaterSense products
 - ❖ ENERGY STAR and FEMP-designated products
- ☐ Alternative fuel vehicles/hybrids/plug-ins/alternative fuels
- ☐ Biobased products
- ☐ Environmentally preferable products and services
- ☐ Non-ozone depleting substances

Purchases of Products

Purchases of any type of product listed on the GSA Green Products Compilation, including purchase card transactions, are considered to be “applicable.” The products listed are those for which the U.S. Environmental Protection Agency (EPA), U.S. Department of Energy (DOE), or U.S. Department of Agriculture (USDA) have issued designations or otherwise provided guidance for product environmental or energy attributes. Note that it is not the intent of the compilation tool to list all environmentally sustainable products in the marketplace and that the green purchasing requirements apply only to the designated products.

Purchases of Services

Because products are supplied or used as part of services contracts, the green purchasing requirements also apply to the purchase of services. Per the Office of Management and Budget (OMB), purchases of any of the following services are considered to be “applicable” contract actions:

- ❖ Building construction, renovation, or repair;
- ❖ Building operations and maintenance;
- ❖ Landscaping services;
- ❖ Pest management;
- ❖ Electronic equipment, including leasing and maintenance;
- ❖ Fleet maintenance;
- ❖ Janitorial services;

- ❖ Laundry services;
- ❖ Cafeteria operations; or
- ❖ Meetings and conference services.

In order to be compliant with the green purchasing requirements, contracts for these services must require the use of green products when any of the following products are part of the contract's scope of work:

- ❖ EPA Comprehensive Procurement Guideline (CPG)–designated products;
- ❖ ENERGY STAR® or Federal Energy Management Program (FEMP) designated products;
- ❖ Electronic Product Environmental Assessment Tool (EPEAT)-registered products;
- ❖ USDA designated BioPreferred/Biobased products;
- ❖ EPA WaterSense or other water efficient products;
- ❖ Non-ozone-depleting products or alternatives listed under the EPA SNAP Program (Significant New Alternatives Policy);
- ❖ Products containing non or less toxic chemicals or containing alternatives to those on EPA's Priority Chemicals list;
- ❖ Alternative fuel vehicles and alternate fuels;
- ❖ Environmentally Preferable products or services; and/or
- ❖ Products otherwise determined to be environmentally sustainable.

For other services contracts, the use of recycled content paper should be considered. The preference is for all deliverables and administrative documents to be submitted electronically. However, should the contracting team determine paper is necessary, then the contract must require that paper deliverables and administrative documents be printed and copied two-sided on paper containing at least 30 percent postconsumer fiber.



NUTS AND BOLTS TIP

Agencies are required to purchase green products designated by the U.S. Environmental Protection Agency, Department of Energy, and Department of Agriculture. Rather than reviewing multiple web sites, you can find the designated products listed in the Green Products Compilation, www.gsa.gov/greenproductscompilation. The products are listed by category (e.g., office products, office electronics). GSA updates the Compilation quarterly.

Environmental Program Scope (cont.)

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Examples of environmentally preferable products are:

- ☐ Green cleaning products and services
- ☐ Cafeteriaware, especially biobased content products
- ☐ Green meetings and conference services
- ☐ Building products

Visit www.gsa.gov/gogreen for a full list of sustainable solutions.

GSA: Strategically Sustainable

GSA will eliminate its impact on the natural environment and use its government-wide influence to reduce the environmental impact of the federal government. – *GSA Sustainability Plan*

The agency unveils ambitious plan to reduce the environmental impact of the federal government and work to eliminate its own carbon footprint. [Read the plan](#)



SUSTAINABLE SOLUTIONS

Opportunities for change available now:

- [Business Solutions for Sustainable Acquisition](#)



A PROVING GROUND FOR INNOVATION

Learn how GSA is developing and evaluating green technologies and practices:



FULFILLING THE PROMISE

Leadership by example: GSA initiatives are catalysts for change:

[News](#)

A Word About Labeling

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- ☐ Claims about environmental and energy attributes can be self-claims or verified claims; recycled content claims generally are self-claims.
- ☐ Energy Star and EPEAT claims are verified by third party entities.
- ☐ Biobased claims are self-claims, but USDA recently issued regulations for use of a “USDA Certified Biobased” label.
- ☐ Third party organizations develop standards for products, and some of them verify claims.
- ☐ The Federal Trade Commission’s Guides to Environmental Marketing Claims gives guidance to product vendors to help them avoid making misleading claims.

FAR Subpart 8.4 Simplifies the Solicitation Process

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Schedule Orders are:

- ✓ Faster
- ✓ Easier
- ✓ More Economical

In contrast to FAR Part 15, Schedule orders do not require:

- ❌ Source Selection Evaluation Board (SSEB)
- ❌ Cost analysis (commercial pricing at the Schedule level)
- ❌ Extensive documentation (less formal process)
- ❌ Debrief (may provide feedback)
- ❌ Competitive range determination

FAR Subpart 8.4 provides ordering procedures for placing orders against a GSA Schedule. FAR Part 13, *Simplified Acquisition Procedures*, Part 15, *Contracting by Negotiation*, and FAR Part 19, *Small Business Programs* [except for 19.202-1(e)(1)(iii)], are **NOT** applicable to orders placed against Multiple Award Schedules. (Except that FAR 13.303-2(c)(3) allows for BPAs to be established with Multiple Award Schedule contractors, if not inconsistent with the terms of the applicable Schedule contract.)

Under FAR Subpart 8.4 ordering activities do NOT:

- ❖ Conduct a formal “negotiated procurement”
- ❖ Issue a “solicitation” for 30 days (or any other pre-determined time)
- ❖ Conduct “discussions”
- ❖ Conduct formal “debriefings”
- ❖ Use FAR Subpart 15.3 concepts and procedures

Not using FAR Subpart 15.3 concepts and procedures has the following implications for your task order selection process:

- ❖ There is no requirement to follow the FAR 15.305 requirement to “evaluate competitive proposals and then assess their relative qualities.” In other words, your evaluation system can immediately compare (and remember, we don’t say “compete” because the CICA requirements have already been met) one quote to another in order to determine the rank ordering for selection.
- ❖ You are not bound by the rules in FAR Subpart 15.3 for evaluating past performance, such as the requirement to provide a neutral rating to a quote without any past

performance. Further, if you choose not to use past performance as an evaluation factor, there is no requirement to document the file with your rationale.

- ❖ There is no requirement to capture “the relative strengths, deficiencies, significant weaknesses, and risks supporting proposal evaluation...” as required in FAR 15.305. This means your evaluation system can be very streamlined. There is no requirement to set a competitive range using all the published evaluation factors. This means that you can save yourself and the Schedule contractor considerable time and money by phasing your procurement in a manner that uses the least costly factors to initially down-select the quoters.
- ❖ Because a competitive range is not established, there is no need to be overly focused on the nature of exchanges with the quoter. You can engage in detailed exchanges about any aspect of a quote at any time. Naturally, you should make every effort to treat each quoter equitably. You must not be biased, arbitrary, or capricious and your decisions must be adequately (but not overly) documented.



NUTS AND BOLTS TIP

If an agency issues a Schedule order using FAR Part 15 terminology and procedures, protest review authorities, such as the GAO and the courts, may sustain a protest against the order using FAR Part 15 procedures.

Competition in Contracting Act (CICA)

In accordance with FAR 6.102(d)(3), use of the Federal Supply Schedules (FSS) Program is considered a “competitive procedure” under CICA when the FSS ordering procedures are followed – i.e., the Ordering Procedures for Supplies, and Services Not Requiring a Statement of Work (FAR 8.405-1) or the Ordering Procedures for Services Requiring a Statement of Work (FAR 9.405-2).

The Competition in Contracting Act (CICA) was passed into law in 1984 as a foundation for the Federal Acquisition Regulation (FAR) and to foster competition and reduce costs. The theory was that more competition for procurements would reduce costs and allow more small businesses to win Federal Government contracts. Under CICA all procurements must be competed as full and open (there are some exceptions found in FAR Part 6 such as FSS) so any qualified company can submit an offer. Additionally, CICA requires that all procurements with an estimated value exceeding \$25,000 be advertised for at least 15 days before issuance of a solicitation (FAR 5.203 (a)), on FedBizOpps (FBO). CICA also requires minimum response times (30 to 45 days) for receipt of bids or proposals from the date of issuance of a solicitation (FAR 5.203 (c), (d) & (e)).

CICA also requires each agency and procuring activity to establish a "competition advocate" within its organization to review and challenge any procurement that limits competition. At the Congressional level, a new Senate subcommittee was established to oversee implementation of CICA and encourage competition for government contracts. CICA also amended the protest

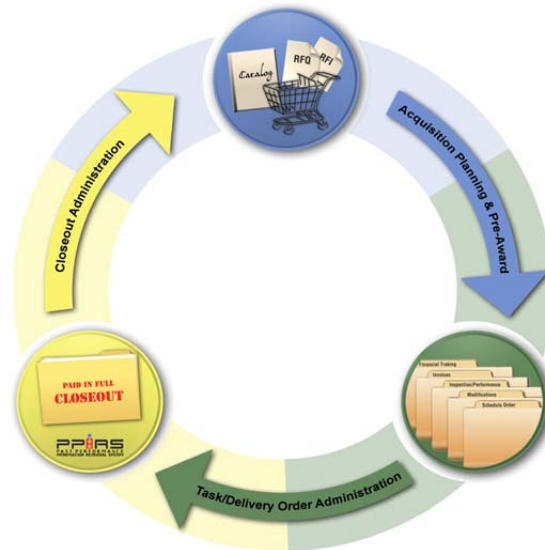
procedures that are contained in FAR Part 33. Specifically, it established that a protest before contract award to the Government Accountability Office (GAO) will cause the award to be suspended until GAO rules on the protest. It also established a deadline of ninety (90) working days for GAO to issue a ruling or forty-five (45) calendar days if the express option is requested by either party.

Although CICA is still the foundation for competitive requirements, law and regulation make certain exceptions to CICA's competitive mandates and establish other competitive requirements. "Full and open competition" is not the only competitive mandate. For example, CICA does not apply to:

- ❖ Orders placed under single-award requirement contracts or definite-quantity contracts
- ❖ Orders placed under single-award indefinite-quantity contracts that were entered into pursuant to the provisions of CICA
- ❖ Orders placed against a single-award task order and delivery order contracts entered into pursuant to FAR Subpart 16.5

CICA competitive standards do not apply to prospective contracts that will be awarded using simplified acquisition procedures of FAR Part 13 or other contracting procedures that are expressly authorized by statute, which include the competitive procedures that apply to orders placed under the GSA Multiple Award Schedules (MAS) Program. There are also fair-opportunity competitive procedures that apply to orders placed against multiple award, task order and delivery order contracts, such as Governmentwide Acquisition Contracts (GWACs) or Multiple Agency (or Award) Contracts (MACs).

Topic 3: Acquisition Life Cycle



The Order Acquisition Life Cycle

The acquisition life cycle begins when an agency or organization discovers a need that cannot be fulfilled internally or through other government agencies. The need starts a three-phase cycle that broadly describes any type of purchasing activity.

Acquisition Planning and Pre-Award: During this first phase, the program organization works with the contracting officer to identify the requirements for the purchase and to determine the most effective way to acquire the needed product or service. The contracting officer conducts market research to gain an understanding of the requirement itself, plus the costs and time commitment needed to fulfill the requirement and to identify suitable vendors.

Once the requirements are clearly defined, the contracting officer issues a Request for Quotation (RFQ) for the order. Contractors propose solutions and identify price, terms, and conditions. Quotes are reviewed, discussions occur, and the organization awards the order to the contractor offering the solution with the best value.

Task/Delivery Order Administration: During this second phase, the contractor fulfills the obligations of the order. The contracting officer monitors the progress against the order and pays the vendor for the supplies or services provided and accepted by the government.

Closeout Administration: Once the supplies or services have been provided, the final stage is to close out the order. The process includes confirming final acceptance, closing out the order, making final payments, and reporting on the vendor's performance. The assessment of contractor performance is critical to ensuring that future government buyers can adequately evaluate contractors during the source selection process; past performance information also helps GSA and other government agencies with market research during their acquisition planning processes.

Acquisition Life Cycle Roles

(slide)



Acquisition Life Cycle Roles

The acquisition process involves three major roles:

- ❖ The **GSA Schedule Contracting Officer** is the contacting officer responsible for establishing and administering the GSA Schedule contract. This Contracting Officer works for GSA.
- ❖ The **Ordering Activity Contracting Officer** is the contacting officer responsible for purchasing supplies and services and administering orders against a GSA Schedule contract. This contacting officer places an order directly with the contractor using a Schedule contract. This Contracting Officer may also be known as the Schedule User.
- ❖ The **Contractor** who is responsible for providing the product or service.

GSA Responsibilities in the Order Acquisition Life Cycle

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The GSA Contracting Officer administers the Schedule contract and provides advice and support to ordering activities, such as strategies for acquisition planning; guidance for appropriate Schedule use; information on Schedule contract requirements; help with terms and conditions of the Schedule contract; and assistance with contractor compliance.

Schedule Contractor Responsibilities in the Order Acquisition Life Cycle

(slide)

- ❑ Comply with all Schedule contract terms and conditions
- ❑ Identify ordering activity requirements that can be met utilizing Schedule contracts
- ❑ Respond to ordering activity requirements
- ❑ Negotiate available solutions
- ❑ Maintain proper contract files and administer contract appropriately



After Schedule contract award, the contractor must adhere to the Schedule contract requirements while marketing its products or services to ordering activities. The Schedule contractor must comply with all Schedule contract terms and conditions. For example, the Schedule contractor must:

- ❖ Submit required price list information.
- ❖ Report quarterly sales.
- ❖ Complete all administrative requirements at the end of the contract.
- ❖ Complete each order within the terms of the Schedule contract and the order itself.

To be successful, the Schedule contractor needs to:

- ❖ Identify potential business opportunities.
- ❖ Respond to ordering activity requirements in an effort to win orders. This may be as simple as providing price list and catalog information or it might require the Schedule contractor to respond to relatively complex Requests for Quote.
- ❖ Negotiate with the ordering activity concerning the solutions available under the Schedule contract.
- ❖ Maintain proper contract files and proper contract administration.
- ❖ Ensure items quoted are either line items in the Schedule contract, or identified as “open market items.”

Ordering Activity Responsibilities in the Order Acquisition Life Cycle

(slide)

- ☐ Plan for a Schedule order
- ☐ Identify and evaluate Schedule solutions
- ☐ Issue and document the Schedule order
- ☐ Administer the Schedule order
- ☐ Perform closeout duties



When using a Schedule, the Contracting Officer benefits from all the work already done by GSA and the contractor. GSA has determined that the contractor is responsible and technically capable of performing the requirements of the contract; ensured pricing is fair and reasonable at the time of award; received business size certifications and representations; and the required subcontracting plans for large businesses. Schedule users do not have to issue a complex solicitation or negotiate complex contract terms and conditions. Instead, Schedule users need only issue an order using the appropriate ordering procedures.

Schedule users have the primary responsibility for awarding and administering Schedule orders. Schedule users must follow the requirements of the contract, FAR Subpart 8.4, and good business practices while planning for a Schedule order; identifying and evaluating solutions available under GSA Schedules; issuing and documenting a Schedule order; and administering the Schedule order.

Topic 4: Market Research

Purpose of Market Research

(slide)

- ☐ Purpose: to find the most suitable approach to acquiring, distributing, and supporting supplies and services for agency needs
- ☐ Determine adequacy of:
 - Any commercial products/services for the need
 - GSA schedule sources if commercially available
 - Support practices for the agency's need
- ☐ Determine potential for inclusion of commercial *or* non-developmental items
- ☐ Locate small businesses for potential set-aside
- ☐ Ensure maximum practicable use of recovered materials, energy conservation, and efficiency
- ☐ Determine advisability of bundling

The primary purposes of market research are to:

- ❖ Determine if commercial sources can adequately fulfill the activity's requirements
- ❖ Determine if GSA Schedule sources can adequately fulfill the activity's requirements
- ❖ Determine the extent to which commercial items or non-developmental items can be incorporated at the component level
- ❖ Determine whether sufficient small business sources exist to potential set-aside the order
- ❖ Determine the practices of firms engaged in fulfilling the requirement, including warranties, maintenance, packaging, and marking
- ❖ Ensure the maximum practicable use of recovered materials and promote energy conservation and efficiency
- ❖ Determine whether bundling is necessary and justified

The ultimate goal is for the ordering activity personnel to become educated consumers.

Market Research Goals

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Market research involves:

- ☐ Collecting and analyzing market capability information
- ☐ Identifying the:
 - True needs of activity
 - Marketplace availability
 - Most suitable approach for:
 - Acquisition
 - Distribution
 - Support

Market research seeks to collect and analyze information about the capability of the market to fulfill a purchasing requirement. This includes identifying:

- ❖ True needs of the activity – this requires an analysis of the outcomes required, vs. specifying what the government wants the contractor to do.
- ❖ Availability of the product or service in question
- ❖ Important tertiary concerns, including how the product/service can be acquired; how product can be distributed; and what types of support are offered (on-site, off-site, mail-in)

Market Research Requirements

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- ☐ Market research is the cornerstone for compliance with requirements for competition for orders exceeding the SAT
- ☐ Market research helps justify and document the basis to use the Schedule program (interagency) as the best procurement vehicle when the order exceeds \$500,000 (FAR 17.502)
- ☐ Contracting Officers must identify Schedule contractors capable of performing as required
- ☐ Market research is required to ensure at least three quotes will be received

Market research is the cornerstone to compliance with FAR Subpart 8.4 (for orders exceeding the SAT) and DFARS 208.405-70. Contracting Officers must identify which Schedule contractors are capable of performing the required work. Market research is conducted to verify how many Schedule contractors are interested in the opportunity and to determine about how many are likely to respond.

It is important to record the number of vendors available per SIN in the acquisition plan under market research documentation. The Contracting Officer must, at a minimum, review the Schedule contracts to determine which Schedule contractors are capable of performing the required work.

Market Research Guidelines. For orders exceeding the simplified acquisition threshold placed against Schedule contracts, the Contracting Officer has two options:

- ❖ Issue a draft RFQ to learn which objectives are achievable and which vendors can provide solutions.
- ❖ Use eLibrary to find out which vendors provide the supplies/services required.
- ❖ Issue the notice to as many Schedule contractors as practicable, consistent with market research appropriate to the circumstances, and to reasonably ensure that quotes will be received from at least three Schedule contractors who are capable of doing the work.
- ❖ Notify all Schedule contractors (for the applicable SINs) that can provide the required work by posting the RFQ on eBuy or by using another suitable mechanism to “push” the notification to Schedule contractors.

When fewer than three responses are received. The Contracting Officer may place the order, provided the Contracting Officer determines in writing that no additional contractors could be identified who can fulfill the requirement despite reasonable efforts to do so.

Note that if the Contracting Officer cannot document that sufficient market research was conducted to identify potential Schedule contractors capable of performing the work, and sufficient Schedule contractors were notified, the RFQ must be re-issued.

Market Research Addresses Requirements

(slide)

- ☐ Understand requirement completely – in terms of the end result or objective
- ☐ Ask **form**, **fit**, and **function** questions
- ☐ Determine salient characteristics and sustainability requirements

Before you can begin your market research, you must have a firm grasp of your agency or end-user requirements.

Having strong clarity about the desired product and/or service includes understanding:

- ❖ **Form:** What should it look like?
- ❖ **Fit:** Is there a specific size, for example?
- ❖ **Function:** What does this product/service do or need to provide? What result is needed?

The answers to these types of questions are the least amount of information any procurement official needs prior to beginning any sound market research. This information must be developed prior to market research for best efficiency. The above questions will assist in determining what the supply or service's salient characteristics are. "Salient" means *remarkable, notable, prominent, striking, conspicuous* — knowing salient characteristics prior to beginning market research aids greatly in the "refine search" feature of GSA Advantage!®.

Market Research Addresses Requirements

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- | | |
|---|---|
| <input type="checkbox"/> GSA <i>eLibrary</i> | <input type="checkbox"/> General Information Sources |
| <input type="checkbox"/> GSA <i>Advantage!</i> | <input type="checkbox"/> BLS PPI and CPI |
| <input type="checkbox"/> Green Purchasing Info (Comprehensive Procurement Guidelines) | <input type="checkbox"/> Trade Journals, catalogs |
| <input type="checkbox"/> PPIRS | <input type="checkbox"/> FAR Contract Pricing Reference Guide |
| <input type="checkbox"/> RFIs on <i>eBuy</i> | <input type="checkbox"/> MarkeTips Magazine |
| | <input type="checkbox"/> Recent similar acquisitions |

GSA eTools and other resources:

- ❖ GSA eLibrary www.gsaelibrary.gsa.gov
- ❖ GSA *Advantage!*® www.gsaadvantage.gov
- ❖ Green purchasing information www.gsa.gov/green
- ❖ PPIRS www.ppirs.gov
- ❖ Requests for Information (RFIs) on eBuy www.ebuy.gsa.gov



MAS Desk Reference

For more on Sustainability, refer to the *MAS Desk Reference: Section 10*

Topic 5: Acquisition Strategies Using Schedules

Acquisition Planning: Background and Objectives

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- ☐ Statement of need
- ☐ Applicable conditions
- ☐ Independent Government Estimate (IGE)
- ☐ Possibility of small business set-asides
- ☐ Capability or performance
- ☐ Delivery or performance period requirements
- ☐ Trade-offs
- ☐ Risks
- ☐ Acquisition streamlining

After the ordering activity identifies what the requirements are for the acquisition, the next question the ordering activity must answer is how to acquire the product or service. This is known as the acquisition strategy or acquisition plan.

Acquisition Planning. Schedule orders are not exempt from the development of acquisition plans required by FAR Subpart 7.1 or an Information Technology Acquisition Strategy required by FAR Part 39. Therefore, any planning requirements that apply to an open market acquisition also apply to a Schedule order.

In order to facilitate attainment of the acquisition objectives, the plan must identify those milestones at which decisions should be made. The plan must address all the technical, business, management, and other significant considerations that will control the acquisition. The length and depth of the acquisition plan should be commensurate with the size and complexity of the procurement.

FAR Subpart 7.1 recommends breaking the plan into two parts: *Acquisition background and objectives* and *Plan of Action*. *Acquisition background and objectives* includes the following, if they are relevant to the acquisition:

- ❖ **Statement of need.** Introduce the plan by a brief statement of need. Summarize the technical and contractual history of the acquisition. Discuss feasible acquisition

alternatives, the impact of prior acquisitions on those alternatives, and any related in-house effort.

- ❖ **Applicable conditions.** State all significant conditions affecting the acquisition, such as requirements for compatibility with existing or future systems or programs and any known cost, schedule, and capability or performance constraints.
- ❖ The **Independent Government Estimate (IGE)** is the government's estimate of the resources and their projected costs that a contractor would incur in the performance of a contract.

Other parts of acquisition planning include:

- ❖ **Capability or performance.** Specify the required capabilities or performance characteristics of the supplies or the performance standards of the services being acquired and state how they are related to the need.
- ❖ **Delivery or performance-period requirements.** Describe the basis for establishing delivery or performance-period requirements. Explain and provide reasons for any urgency if it results in concurrency of development and production or constitutes justification for not providing for full and open competition.
- ❖ **Trade-off price and other factors.** When it appears that other best value factors need to be considered, the Schedule user should decide what best value factors will be considered and how they will be considered. Evaluation factors should be selected because market research shows that they affect value to the government, and evaluation of those factors is likely to vary between Schedule contractors. When the Schedule user plans to trade-off price and other non-price factors, this decision may be made when establishing non-price factors that will contribute to a best value determination made during the requirements definition stage. These evaluation factors will be part of an RFQ, if issued, so the vendors know what is important to the government.
- ❖ **Risks.** Discuss technical, cost, and schedule risks and describe what efforts are planned or underway to reduce risk and the consequences of failure to achieve goals. If concurrency of development and production is planned, discuss its effects on cost and schedule risks.
- ❖ **Acquisition streamlining.** If specifically designated by the requiring agency as a program subject to acquisition streamlining, discuss plans and procedures to:
 - Encourage industry participation by using draft RFQs, presolicitation conferences, and other means of stimulating industry involvement during design and development in recommending the most appropriate application and tailoring of contract requirements;
 - Select and tailor only the necessary and cost-effective requirements; and
 - State the timeframe for identifying which of those specifications and standards, originally provided for guidance only, will become mandatory.



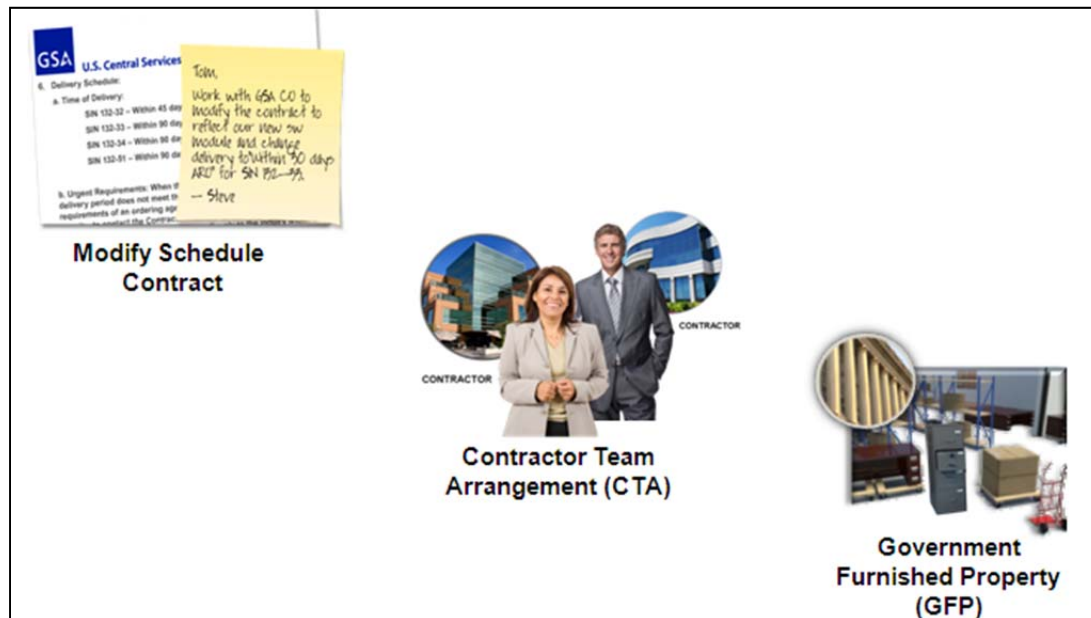
NUTS AND BOLTS TIP

Acquisition Plans. GSA Schedule orders are not exempt from the development of Acquisition Plans, IAW FAR Subpart 7.1 or an Information Technology Acquisition Strategy plan IAW FAR Part 39. Therefore, any planning requirements that apply to open market acquisitions also apply to a Schedule order.

For Schedule orders in excess of \$500,000 a written determination shall be made that use of the MAS program is the best procurement approach, per FAR Parts 8.404(b)(2) and 17.502-1(a).

Possible Schedule Alternatives to Open Market Items

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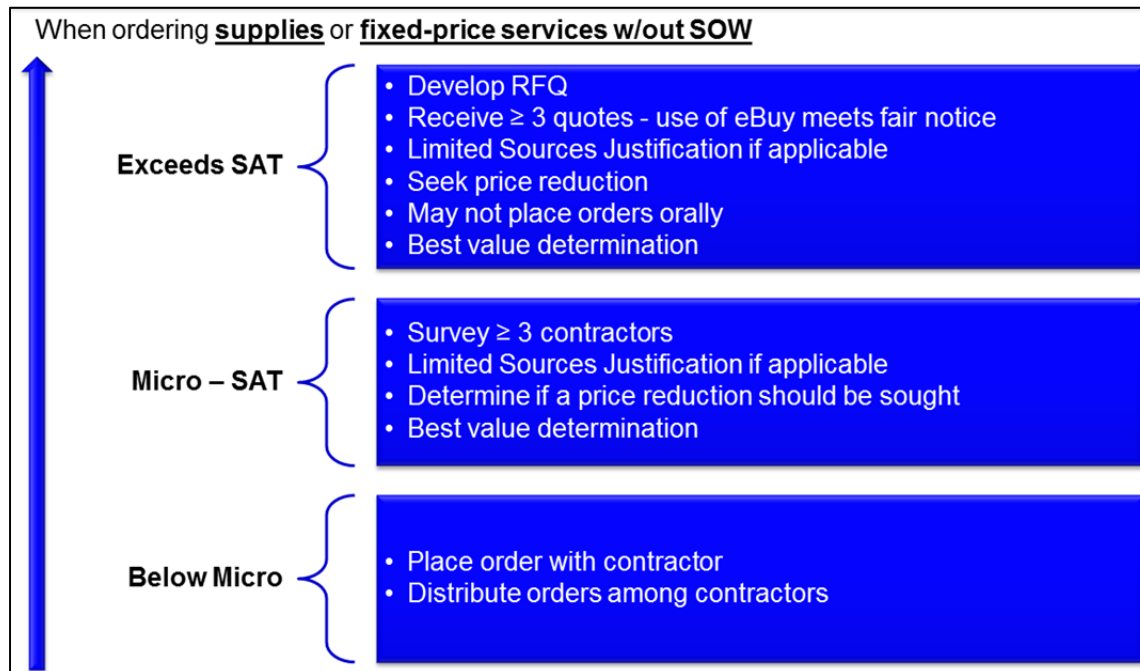
Ordering activities have three options for avoiding using open market items:

- ❖ The Schedule contract can be modified by the GSA Contracting Officer . Currently, there are five types of modification request:
 - Additions
 - Deletions
 - Administrative Changes
 - Pricing Changes
 - Technical Changes
- ❖ Contractor Team Arrangements (CTAs) bring together multiple Schedule contractors as a team to provide a total solution for the requirement. For instance, one team member might be on a Schedule to provide installation and consulting services for a type of equipment. Another Schedule contractor might be on a different Schedule to provide the equipment but not the installation. By teaming, a single solution that avoids the need to search the open market benefits contractors and the government alike. RFQs can state the ordering activity's preference to use a team solution.
- ❖ Government-Furnished Property (GFP)/Government-Furnished Equipment (GFE) includes facilities, equipment, material, supplies, or other services provided by the government for use by all prospective service providers in the solicitation. Costs for GFP included in a solicitation are considered common costs. Replacement costs, insurance, maintenance and repair costs for GFP may or may not be government-furnished, depending on the provisions in the solicitation.

Questions to Determine Avoidable Competition Limitations (FAR 8.405-6)
<ul style="list-style-type: none">• Is the SOW narrowly defined with overly restrictive specifications or performance standards?• Is the order written in such a way as to create a continuous arrangement with the same contractor?• Was the requirement obtained through the use of restricted competition not in accordance with the procedures in FAR 8.405-6?• Is there a brand name constraint based on non-essential functionality or characteristics?

Ordering Procedures - FAR 8.405-1

(slide)



When Is a SOW Not Required?

According to FAR 8.405-1, when acquiring fixed-price services or supplies through GSA Schedules, an SOW is not required when the dollar value of the order or BPA:

- ❖ **Is at or below the micro-purchase threshold.** You may place the order directly with the selected vendor. FAR procedures for acquisitions at or below the micro-purchase threshold emphasize simplicity and fair treatment. Supporting documentation, including extensive information, collection, and evaluation, is not required. However, the Schedule user should attempt to distribute orders among Schedule contractors.
- ❖ **Exceeds the micro-purchase threshold**, but not the simplified acquisition threshold. You should obtain at least three (3) quotes (always documenting your contract file and select the best value quote).
 - Survey at least three Schedule contractors, considering price and other identified best value factors.
 - Consider ordering from contractors that help you meet your agency's socio-economic goals.
 - Use an RFQ only if it is the most efficient method for gathering the information needed to evaluate solutions available under GSA Schedules. When using an RFQ, the Schedule user must provide the RFQ, including the evaluation criteria, to any contractor under the appropriate Schedule that requests a copy.

- The Schedule user should seek a price reduction when:
 - Market research reveals that the supply or service is available elsewhere at prices lower than those available from Schedule contractors.
 - The Schedule contractor has been or will be selected to provide recurring requirements and the size of the recurring orders appears to merit a price reduction.
 - Market research identifies other information indicating that a price reduction is appropriate.
- ❖ **Exceeds the Simplified Acquisition Threshold**, or when establishing a BPA. The ordering activity shall seek a price reduction, survey more than three contractors, and select the best value quote. If further price reductions are not offered, an order may still be placed. eBuy shall be used as one method to ensure at least 3 written quotations are received. If fewer than 3 are received, the Contracting Officer must document the file as to the actions taken to ensure competitive quotations, and what can be done in future acquisitions to enhance competition.



NUTS AND BOLTS TIP

Schedule contractors are not required to pass on to all GSA Schedule users a one-time spot price reduction provided to a single agency.



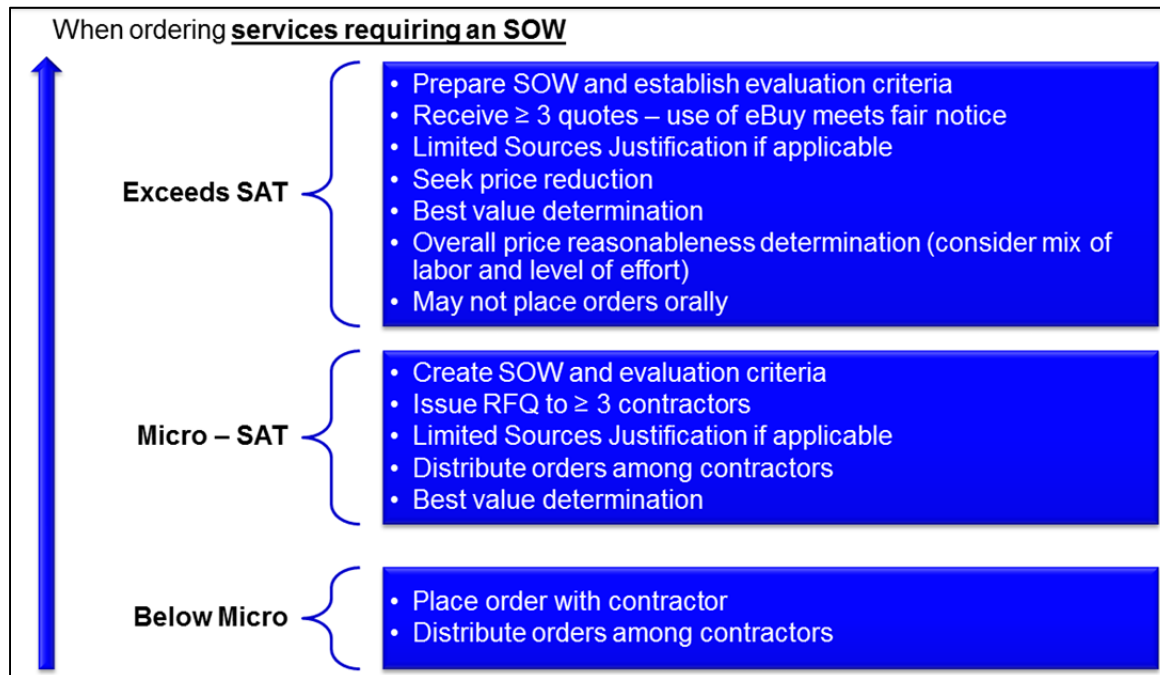
NUTS AND BOLTS TIP

FAR 9.405-1(b) **prohibits** ordering from any Schedule contractor that is debarred, suspended, or proposed for debarment unless the agency head makes a written determination of the compelling reasons for such action.

A Schedule user can review the contractor's information page in GSA eLibrary (www.gsaelibrary.gsa.gov) or the **Excluded Parties List System (EPLS)** (www.epls.gov) to determine whether the prospective contractor is debarred, suspended, or proposed for debarment.

Ordering Procedures - FAR 8.405-2

(slide)



When is an SOW Required?

For services offered in Schedule contracts at hourly rates, Schedule users must create Requests for Quotations (RFQs) and include the SOW and evaluation criteria to Schedule contractors that offer services that will meet the agency's needs. The SOW and RFQ requirements differ by dollar value. The RFQ may be posted through eBuy.

If an order requires an SOW, the first step in the decision process is to review the quotes. The price quote review focuses on the quality of the vendor's capabilities or products, the proposed solution, the prices, and any other pre-determined evaluation criteria.

If an SOW/PWS/SOO is not required, the first step is to compare prices from appropriate Schedule contractors.

If the order requires an SOW/PWS/SOO, the ordering activity has the option to ask quoters to give oral presentations after quotation submission. The oral presentations can help the ordering activity clarify details, become acquainted with the contractors' personnel, and provide additional comparison points for decision making. After comparing prices and other factors, the ordering activity chooses the contractor who can provide the best value to the government.



NUTS AND BOLTS TIP

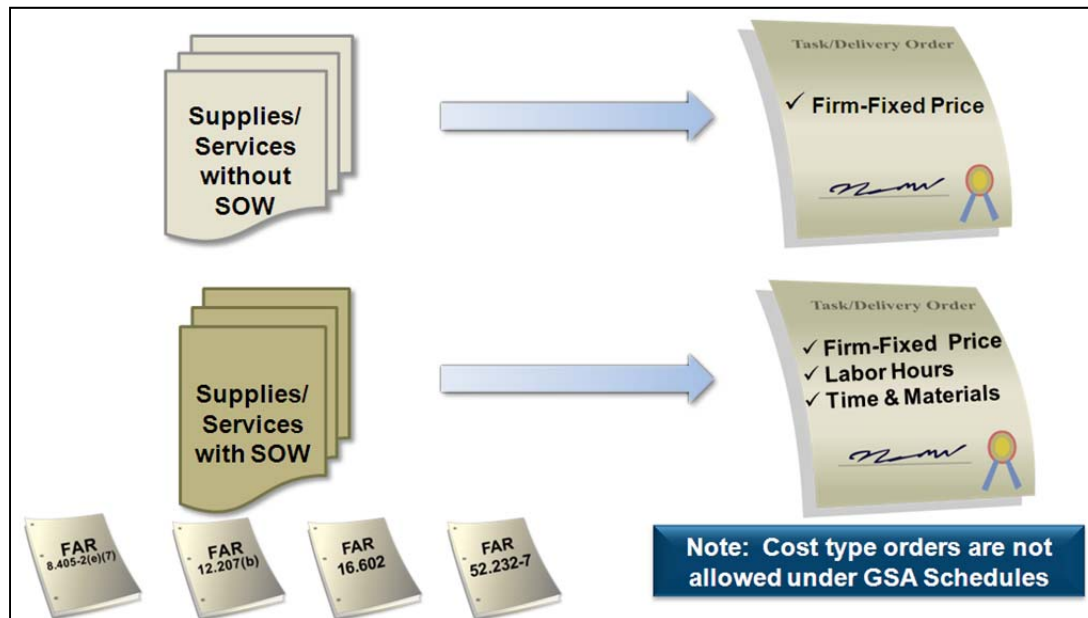
Overall Price Reasonableness Determination for Services

When buying services IAW FAR 8.405-2 the ordering activity is required to conduct an overall price reasonableness determination. This means that the proposed mix of labor and level of effort must be considered to ensure that the overall price provides the best value to the government.

The ordering activity does not have to evaluate the hourly rate. GSA is responsible for establishing the rates and determines rates to be fair and reasonable at the Schedule contract level. The FAR states: 8.405-2(d) Evaluation. The ordering activity shall evaluate all responses received using the evaluation criteria provided to the schedule contractors. The ordering activity is responsible for considering the level of effort and the mix of labor proposed to perform a specific task being ordered, and for determining that the total price is reasonable.

Schedule Order Types

(slide)



Pricing Arrangements

Orders for supplies or services not requiring an SOW/PWS must be firm, fixed-price (FFP). (See FAR 8.405-1(a)). Orders for services requiring a SOW/PWS may use one or a combination of the following pricing arrangements:

- ❖ Firm-Fixed-Price (FFP)
- ❖ Labor-Hour (LH)
- ❖ Time-and-Materials (T&M)

FFP is the preferred pricing structure and its use is required to the maximum extent practicable (See FAR 8.404(h)(2)). A LH or T&M type can only be used when it's not possible at time of order placement to accurately define the extent or duration of the work or accurately estimate the cost. The Contracting Officer must execute a D&F establishing that no other contract type is suitable and the order must contain a ceiling price that the contractor exceeds at their own risk prior to placement..

For BPAs for hourly rate services, the ordering activity must develop an SOW/PWS for the requirements covered by the BPA. All orders under the BPA must specify a fixed-price for the performance of the tasks identified in the SOW/PWS.



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 5.*

Limited Source Justification and Approval

(slide)

- ☐ FAR 8.405-6
- ☐ Schedule orders are exempt from FAR Part 6
- ☐ Ordering activities must justify restricting consideration when:
 - Restricting to fewer contractors than required per 8.405-1 and 8.405-2
 - Limiting to brand name

GSA Schedule orders and BPAs are exempt from the requirements in FAR Part 6, Competition Requirements. However, an ordering activity must justify its action when restricting consideration to fewer contractors than required in FAR 8.405-1, 8.405-2, or 8.405-3 or to an item particular to one manufacturer (e.g., a brand name item).

When limiting the sources on a requirement, the ordering activity must document the rationale for limiting consideration, regardless of the dollar value. However, the higher the dollar amount, the more information is required in the justification, and more approvals must be obtained. The ordering activity must list under which permitted exception the requirement falls.

For orders or BPAs valued between the micro-purchase and the simplified acquisition thresholds, the contracting officer must document the circumstances leading to the restriction of consideration of Schedule contractors to fewer than required by FAR 8.405-1, 8.405-2, or 8.405-3.

For orders or BPAs exceeding the SAT, the contracting officer, with assistance from the requiring activity, must prepare a justification citing authority to limit sources under the Schedules Program. At a minimum, each justification must include the following information:

- ❖ Identification of the agency and the contracting activity, and specific identification of the document as a “Limited Sources Justification”
- ❖ Nature and/or description of the action being approved
- ❖ Description of the services or supplies required to meet the agency’s needs (including the estimated value)
- ❖ The authority and supporting rationale and, if applicable, a demonstration of the proposed contractor’s unique qualifications to meet the requirement
- ❖ A determination by the contracting officer that the order represents the best value consistent with FAR 8.404(d)

- ❖ A description of the market research conducted among Schedule holders and the results, or a statement of reason the market research was not conducted
- ❖ Any other facts supporting the justification
- ❖ A statement of the actions, if any, the agency may take to remove or overcome any barriers that led to the restricted consideration before any subsequent action is taken
- ❖ The contracting officer's certification that the justification is accurate and complete to the best of the contracting officer's knowledge
- ❖ Evidence that any supporting data supported by the technical or requirements personnel (e.g., verifying the government's minimum needs or requirements, or other rationale for limited sources), and which form a basis for the justification, have been certified as complete and accurate by technical personnel.

Limited Source Justification

(slide)

- ☐ An urgent and compelling need exists, and following the procedures would result in unacceptable delays
- ☐ Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized
- ☐ The new work is a logical follow-on to an original MAS order; provided that the original order was a competitive Schedule order
- ☐ See FAR 8.405-6(d) for monetary thresholds and approval requirements

FAR 8.405-6 also allows the following instances when limited source acquisitions, with proper documentation and approvals, are permissible:

- ❖ Only one source is capable of responding due to the unique or specialized nature of the work.
- ❖ The new work is a logical follow-on to an original Schedule order provided that the original order was placed IAW the applicable Schedules Program ordering procedures and was not previously issued under sole source or limited source procedures.
- ❖ An urgent and compelling need exists and following the prescribed Schedule ordering procedures would result in unacceptable delays.

Limited Sources Justification Requirements

(slide)

Limited Source Order/BPA (8.405-6(a))

Threshold	LSJ Required	Posting Required
Exceeds SAT	Yes	Yes
Micro – SAT	Document Circumstances – not a full blown LSJ	No
Below Micro-Purchase	No	No

Posting requirements: Within 14 days after placing an order or establishing a BPA exceeding the simplified acquisition threshold that is supported by a limited-sources justification the ordering activity shall:

- ❖ Publish a notice in accordance with FAR Subpart 5.301 and
- ❖ Post the justification:
 - At www.fedbizopps.gov and
 - On the Web site of the ordering activity agency, which may provide access to the justification by linking to FedBizOpps and
 - For a minimum of 30 days.

Limited Sources Justification Requirements

(slide)

Brand Name (8.405-6(b))

Threshold	LSJ Required	Posting Required
Exceeds SAT	Yes	Yes - eBuy
\$25k – SAT	Document Circumstances – not a full blown LSJ	Yes - eBuy
Micro - \$25k	Document Circumstances – not a full blown LSJ	No
Below Micro-purchase	No	No

Posting requirements: The ordering activity shall post the following information along with the Request for Quotation (RFQ) to e-Buy:

- ❖ For proposed orders or BPAs with an estimated value exceeding \$25,000, but not exceeding the simplified acquisition threshold, contracting officer shall document the file.
- ❖ For proposed orders or BPAs with an estimated value exceeding the simplified acquisition threshold, Limited Sources Justification.

Post-award Posting Requirements for Limited Source

(slide)

- ❑ FAR 8.405-6(d)
 - Post notice/justification of limited source procurements on FBO or agency website with link accessible from FBO
 - Post NLT 14 days after award - remain accessible to public for 30 days
 - Urgent and Compelling LSJ may be approved after award; post NLT 30 days after award and remain accessible for 30 days
- ❑ Exceptions to posting
 - Disclosure would compromise the national security or create other security risks
 - The nature of the file (size + format) does not make it cost effective or practicable for CO's to provide access through eBuy
 - Agency's Senior Procurement Executive (SPE) makes a written determination that access through eBuy is not in the Government's interest

Other Direct Costs Categories

(slide)

- ☐ Ancillary Supplies and Services
 - Commercial items on Schedule
 - Items included in the task order
 - Items support and are not the primary purpose of the order
- ☐ Travel Reimbursable Items
 - Travel in the performance of a task order
 - Reimbursable according to agency and federal regulations
- ☐ Open Market Items
 - Commercial items not on Schedule
 - Can be mixed with Schedule items only if all clauses applicable to those items are included and the ordering contracting officer determines prices are fair and reasonable and within scope

When putting together the acquisition plan, ordering activities should also consider how much and what types of Other Direct Costs (ODCs) are going to be needed to meet the requirement.

Direct costs are costs that can be directly traced to an order and which are incidental to the main purchase. ODCs typically come in three categories:

- ❖ **Ancillary Supplies and Services** are commercial items, which complement the main purchase, are within the scope of the contract and are already on the Schedule contract. The items are included in the MAS contract and task order and cannot be ordered separately from other services on the same contract. Because the items are already on the MAS contract, the prices are considered fair and reasonable. An example of ancillary items is an order for training that might specify the development of course materials and the teaching of classes. The cost of printing the participant guides is an additional service that is available under the Schedule contract, but is only available when purchasing the training services.
- ❖ **Travel Reimbursement Items** are costs for transportation, lodging, and per diem that are associated with the performance of a task order. Ordering activities can reimburse contractors for travel related costs as long as the travelers follow the appropriate federal, agency, and project travel regulations, such as the Federal Travel Regulation (FTR) and the Joint Travel Regulation (JTR).
- ❖ **Open Market Items**, also known as “non-Schedule items” are “incidental” costs for commercial items that are not awarded under a MAS contract but which also support an order. Because the items are not on the Schedule contract, ordering activities cannot assume that the costs are fair and reasonable. Therefore, ordering activities must

purchase these items IAW all applicable acquisition regulations. The ordering officer must determine that the quoted prices for these items are fair and reasonable and within scope.

Topic 6: Acquisition Flexibility for Use of Schedules

Contract Flexibilities

(slide)



The MAS program offers a number of approaches to acquiring complete solutions. Contractor Team Arrangements (CTAs) enable two or more vendors to present a team approach to providing solutions, different from a prime contractor/subcontractor type of relationship. Also, it may be beneficial to an organization to award BPAs for recurring requirements, to make the ordering process easier and to take advantage of the potential to obtain reduced pricing.



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 9 on CTAs.*

Schedule Contractor Team Arrangement (CTA) Benefits

(slide)

- ☐ Provides complete solution
- ☐ Encourages use of GSA Schedules
- ☐ Increases competition
- ☐ Levels the playing field for small businesses

The benefits of CTAs include the following:

- ❖ Satisfies the customer with a single solution
- ❖ Increases competitive edge
- ❖ Increases market share
- ❖ Increases visibility
- ❖ Focuses on core capabilities
- ❖ Obtains complementary capabilities
- ❖ Integrates different skills
- ❖ Offers additional opportunities with customers
- ❖ Builds direct relationships with customers
- ❖ Maximizes use of one or more Schedule solutions
- ❖ Shares risks and rewards
- ❖ Allows more opportunities for small business and small disadvantaged businesses
- ❖ Reduces the number of items Schedule contractors need to carry on their Schedule contracts, thus reducing inventory and tracking costs

Key Differences between CTA and Subcontractor Arrangements

(slide)

Key Questions	CTA	Prime/Sub Arrangement
Who must hold the Schedule Contract?	Each member	Only prime contractor
Who is considered a party to the task order? (Privity)	Each member	Only prime contractor
Who has ultimate responsibility for contract duties?	Each member	Only prime contractor
What rates can be charged?	Up to the MAS rate for member providing the services	Up to the MAS rate for the prime contractor



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 9 on CTAs*.

MAS BPA Streamlines the Acquisition Process

(slide)

- ☐ Permits consolidation of agency and multi-agency requirements
- ☐ Eliminates need for immediate funding requirements
- ☐ Eliminates synopsis requirement

BPAs help consolidate agency needs in many ways. Here are two examples:

- ❖ A BPA can be set up for field offices across the nation, thus allowing them to participate in an agency-wide BPA and place orders directly with GSA Schedule contractors. In doing so, the entire agency reaps the benefits of additional discounts negotiated into the BPA.
- ❖ A multi-agency BPA can be established if the BPA identifies the participating agencies and their estimated requirements at the time the BPA is established.

BPAs enable ordering activities to prepare for anticipated purchases and become more proactive in their purchasing. Because an ordering activity is not actually buying products or services when it establishes the BPA, funding does not have to be immediately available when the BPA is established unless a minimum dollar value is guaranteed in the BPA (this is not a requirement). When the funding becomes available, and the need becomes immediate, the ordering activity can then make the purchase by simply placing a delivery or task order.

Schedule BPAs simplify the acquisition process for ordering activities. In addition to not performing a “fair and reasonable” price analysis (except for labor hours and mix on hourly rate contracts), ordering activities do not need to synopsise requirements for purchase against a BPA.



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 8 on BPAs*.

Blanket Purchase Agreements Benefits

(slide)

- ☐ Opportunity to negotiate improved discounts
- ☐ Satisfy recurring requirements
- ☐ Leverage agency requirements
- ☐ Quicker turnaround on orders
- ☐ Funding isn't required until a BPA order is initiated
- ☐ Can use small business set-aside procedures in BPA awards to help meet socioeconomic goals

From the government's perspective, the five best reasons to use Schedule BPAs are clear:

- ❖ It gives the ordering activity flexibility in acquiring the exact services, levels of effort, and periods of performance that it needs for acquisitions without having to go through a separate acquisition process for each purchase.
- ❖ It saves administrative time and money through consolidated payment and summary invoicing, thereby creating processing efficiencies.
- ❖ Pre-negotiated prices means that the government can be sure it is getting the best pricing from the contractor on all task orders associated with the Schedule BPA. Note that the government should seek additional price reductions when establishing a BPA.
- ❖ Funding is not required until a need arises and an order is placed.
- ❖ It allows the agency to set-aside BPAs for small businesses and helps the agency achieve its socio-economic goals

Contractors also see value in participating in a Schedule BPA:

- ❖ It simplifies production and revenue planning by providing an ongoing source of orders.
- ❖ It increases revenue through volume purchases. To earn the volume purchases, the contractor understands it must provide volume discounts.
- ❖ The streamlined acquisition process provides contractors with a quicker turnaround on orders and may improve cash flow.

Single-award BPAs

(slide)

- ☐ FAR stated preference for multiple awards
- ☐ Single-award BPA limited to 1 year, no more than 4 option years; documented justification and approvals required
 - Initial award >\$103M approved by agency head
 - Annual option exercise approved by competition advocate
- ☐ Benefits:
 - Simplified ordering process
 - Improved pricing and terms

The preference in FAR 8.405-3 is to establish a multiple award BPA. However, if agency requirements are best met with a single award and proper approvals are obtained, the agency may award the BPA to only one contractor. If so, authorized users may place the task order directly under the established BPA when the need for the supply or service arises.

Consider:

- ❖ Frequency of:
 - Ordering
 - Invoicing
 - Discounts
 - Delivery
- ❖ Type of order:
 - FFP
 - Labor Hour
 - T & M



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 8 on BPAs*.

Multiple-award BPAs

(slide)

- ☐ All purchases are competed among a prequalified pool of contractors
- ☐ Duration generally does not exceed 5 years, but may do so to meet program requirements
- ☐ For orders over the micro-purchase threshold and for hourly rate services, RFQs must be sent to all BPA holders
- ☐ Benefits:
 - Simplified ordering process
 - Improved pricing and terms
 - Ability to search and negotiate for best value

Multiple Award BPAs are established with more than one Schedule contractor. They are appropriate when the ordering activity determines that more than one BPA is needed to meet its needs, or when the requirement is less defined.

The number of BPAs to be established is within the discretion of the ordering activity and should be based on a strategy that is expected to maximize the effectiveness of the BPA(s).

For orders exceeding the micro-purchase, the ordering activity must forward the requirement, or SOW/PWS/SOO, and the evaluation criteria, to an appropriate additional number of Schedule BPA holders IAW the BPA ordering procedures. The ordering activity must evaluate the responses received, make a “Best Value” determination and place the order with the Schedule BPA holder that represents the best value.

If the BPA is for hourly rate services, the ordering activity must develop an SOW/PWS/SOO for requirements covered by the BPA. All orders under the BPA should specify a price for the performance of the tasks identified in the requirements document.

Topic 7: Task/Delivery Order Award, Administration and Closeout

Evaluation Process

(slide)



Evaluation team members must understand all the significant factors being considered. In addition to price, the team may use other factors to determine best value. Factors include:

- ❖ Past performance
- ❖ Technical qualifications
- ❖ Performance planning
- ❖ Preference for the items of small business concerns when two or more items at the same delivered price will satisfy the requirement as indicated in FAR 8.405(c)
- ❖ Any other best value factors that represent the key areas of importance to be considered in the selection decision; and support meaningful comparison and discrimination among competing quotes

If the Schedule user is considering price and additional evaluation factors, the evaluation team must understand the relative importance of the identified evaluation factors. At a minimum, the RFQ should state whether all evaluation factors other than price, when combined, are:

- ❖ Significantly more important than price,
- ❖ Approximately equal to price, or
- ❖ Significantly less important than price.

Comparing Best Value

(slide)



Under a “Best Value” continuum there is a recognition that the government always seeks to obtain the best value in negotiated acquisitions using any one, or a combination of source selection approaches. In addition, the acquisition should be tailored to the requirement. At one end of this continuum is the “lowest

price, technically acceptable” (LPTA) strategy and at the other end is the “technical/past performance predominates” strategy whereby trade-off of price, past performance, and technical considerations are weighed to identify the quote that provides the government with the best value.

Best value procurements involve tradeoffs between cost, technical, and past performance factors to determine which option provides the solution that best meets the government’s needs while reducing the associated risk. For example, if the government’s requirements are to increase efficiency and thereby reduce the agency’s operating cost, the purchase of a high-end computer at a high price may be a better value than a low-end computer at a low price.

Part of the best value trade-off analysis involves conducting a risk analysis; the ordering activity must consider whether it is willing to pay more for:

- ❖ Achieving socio-economic objectives
- ❖ Better past performance
- ❖ Better technical approach
- ❖ Better management capabilities

If it decides to use non-price factors, which means that other than the lowest-priced, technically acceptable quotation may be selected, the ordering activity must clearly state the priorities in the RFQ.

When determining best value, an ordering activity may take advantage of the full spectrum of best value techniques as defined in FAR 2.101. When making the best value determination, ordering activities should refer to the guidance provided in the RFQ for the evaluation factors and their relative weights in the decision-making process. Price may be the least important evaluation factor, but it must be evaluated.

Factors Affecting Best Value Determination

(slide)



FAR 8.405

Once the technical requirements and performance outcomes are known, ordering activities can consider the factors that are most critical to arriving at the desired solution. In addition to price, these critical factors become the evaluation criteria when awarding orders. Because RFQs must include evaluation criteria, it is important that ordering activities consider these factors when determining requirements.

The benefits of making a best value selection decision can result in improved mission performance and lower life-cycle costs, while encouraging Schedule contractors to provide their best supplies and services to the government. Ordering activities should consider:

❖ **Item characteristics:**

- Which commercial services/supplies match most closely with the identified activity requirement?
- Is there an apparent trade-off between service/supply features and price?

❖ **Past performance:**

- Does available information indicate that Schedule contractors or other available sources have significantly different past performance records?

- Does available information indicate that specialized performance experience will significantly improve a contractor's chance of success in meeting the requirement?

❖ **Warranty:**

- Do Schedule contractors or other suppliers offer warranties?
- Do available warranties protect customers from significant risk?
- Are the warranties offered by Schedule contractors comparable to those offered by other sources in the market?
- If warranties are offered, does the activity have the administrative tracking and logistics capabilities necessary to take advantage of them?

❖ **Ownership costs:**

- What installation costs are associated with the various supplies that meet identified requirements?
- What is the reliability of the various supplies that meet identified requirements (e.g., average time between failures)?
- What are the historical repair costs for the various supplies?
- What are the historical routine maintenance costs for the various supplies?
- What are the disposal costs associated with the various supplies?

❖ **Maintenance availability:**

- Is continuing maintenance required for the supply to meet activity requirements?
- Do Schedule contractors or the suppliers provide maintenance for the identified supply?
- Do Schedule contractors or other suppliers provide maintenance in the area(s) where the supply is most likely to be used?
- If the Schedule contractor is not the original equipment manufacturer (OEM), is there an agreement in place that will ensure services provided by the Schedule contractor will not void the warranty?

❖ **Useful life:**

- How long are available supplies expected to remain useful?
- Are there any significant differences in useful life between supplies?

❖ **Environmental and energy efficiency:**

- Do supplies offered by Schedule contractors or other suppliers have significantly different percentages of recovered materials?
- Are some services or supplies environmentally preferable to others?
- Do available services or supplies generate hazardous waste?
- Do available services or supplies meet government-prescribed energy efficiency standards?

- Does information (e.g., the government-mandated energy use and efficiency labels on air conditioners and refrigerators) indicate that supplies have significantly different energy requirements?

❖ **Technical qualifications:**

- Are there significant differences in provider/supplier technical qualifications?
- If for services, is the proposed labor mix likely to result in successful performance?
- If the requirement is performance-based, has the contractor proposed appropriate performance standards and a quality assurance plan that measures the right things in order to ensure success?
- Are there unique or specialized qualifications required to meet the activity requirement?
- Are there any significant differences between the technical qualifications of Schedule contractors and other firms in the industry?
- Training and customer support issues:
 - Is training or other customer support important to the user of the supply or service?
 - Do Schedule contractors or other suppliers offer customers significantly different levels of training or other customer support?

❖ **Transportation costs:** If items are priced other than FOB destination, will the transportation cost be significantly different for shipments from different sellers?

❖ **Administrative costs:**

- Will the administrative costs of contracting with one prospective contractor likely be different from contracting with another? In other words, will it cost more in time and/or money to contract with one seller than it will to contract with another?
- Will the administrative costs of contracting with a Schedule contractor likely be different from those associated with other commercial suppliers? (Normally administrative costs are much lower for Schedule orders.)

❖ **Delivery and performance terms:**

- Can Schedule contractors meet activity delivery or performance requirements?
- Is the delivery or performance available from Schedule contractors significantly different from the delivery or performance available from other sources?

❖ **Inverted Domestic Corporation (IDC).** A recent amendment to the FAR prohibits awards using Fiscal Year (FY) 2012 appropriated funds to any IDC. While this is limited to FY 12, a similar restriction applied to preceding years and may apply also to future FYs. An IDC is a corporation that used to be incorporated in the United States but now is incorporated in a foreign country. This applies to all ordering agencies using appropriated funds on task orders. Two ways exists to comply with this restriction -

include the provision [52.209-2](#) Prohibition on Contracting with Inverted Domestic Corporations—Representation in RFQs when using FY12 appropriated funds or check the contractor's ORCA and see if provision 52.209-2 is included in their ORCA record.



NUTS AND BOLTS TIP


Meeting Special Requirements

An example of a requirements change consideration is if a requiring activity has requested a “Desk, computer, 26" x 48", walnut.” During market research, the purchaser could not find a firm that offers a walnut computer desk with a 26" x 48" work surface. However, the purchaser found several that offer walnut computer desks with a 30" x 48" work surface as well as a variety of other dimensions. The person responsible for acquiring the desk could get a local craftsman or even a large manufacturer to custom-build a desk with the required work surface dimensions, but the price would be substantially higher than the price for an off-the-shelf desk. If space or other factors do not preclude using a desk with a 30" depth, the best interest of the government would generally be served by modifying the requirement. It would likely be more advantageous to identify a range of acceptable sizes. However, if there are factors that make the 26" depth essential, the requirement should not be modified.

Making and Documenting the Decision

(slide)

Documentation	Completed
Evaluation methodology	✓
Tradeoff rationale	✓
Price reasonableness	✓
Schedule contracts considered	✓
Contractor chosen	✓
Description of service and amount paid	✓
Rationale for using other than a FFP or performance-based order	✓
Determination that interagency vehicle (Schedule) constitutes best vehicle	✓



The ordering activity must select the Schedule contractor whose quote represents the best value to the government considering the evaluation criteria set forth in the RFQ. When acquiring services requiring a SOW/PWS/SOO, documentation of the selection decision must include all of the following:

- ❖ The evaluation methodology used
- ❖ The rationale for any tradeoffs
- ❖ An overall price reasonableness determination

For supplies or services not requiring a SOW/PWS/SOO, file documentation of the selection decision should include the following:

- ❖ Evaluation methodology used
- ❖ Rationale for any tradeoffs

In addition, the ordering activity must document:

- ❖ The Schedule contracts considered, noting the contractor from which the service was purchased
- ❖ A description of the service purchased
- ❖ The award amount
- ❖ The rationale for placing other than a firm-fixed price or performance-based order

Notification of Unsuccessful Quoters

(slide)

May Include	Do Not Include
<ul style="list-style-type: none">• Number of Schedule contractors solicited and quotes received• Name and address of each Schedule contractor receiving an order or BPA• The total price of each order• General reason(s) why the contractor's quote was not accepted	<ul style="list-style-type: none">• Information on other quoters including point by point comparisons• Trade secrets• Privileged or confidential processes, techniques, commercial or financial information• Names of individuals regarding past performance

Note: eBuy users can automatically send e-mail notices to unsuccessful bidders

After award of a Schedule order or BPA for services requiring a SOW, the ordering activity should provide timely notification to unsuccessful quoters.

The FAR does not establish specific requirements for the notices; therefore, the ordering activity can tailor each notice as appropriate to the situation.

Notices may be brief or may include detailed information such as:

- ❖ The number of Schedule contractors solicited
- ❖ The number of quotes received
- ❖ The name and address of each Schedule contractor receiving an award
- ❖ The total price of each order
- ❖ The reason(s) why the quote was not accepted

The notification to unsuccessful quoters must **not** include:

- ❖ Point-by-point comparisons
- ❖ Information on other quoters
- ❖ Trade secrets
- ❖ Privileged or confidential processes and techniques
- ❖ Privileged or confidential commercial or financial information

- ❖ Names of individuals providing reference information about past performance

Notifications to unsuccessful quoters should explain why they did not receive an award, but should not reveal proprietary information about the competitors.

Protests

(slide)

- ☐ A protest is a written objection to the awarding of a contract by an interested party
- ☐ A protest can be to the agency or to GAO
- ☐ Protests can occur in the following situations:
 - Procedural issues
 - Scope issues
 - Open market items

Note: FAR Subpart 33.1 is applicable to orders placed against GSA Schedules

FAR 33.101 defines “protest” as a written objection by an interested party to any of the following:

- ❖ A solicitation or other request by an agency for offers for a contract for the procurement of property or services
- ❖ The cancellation of the solicitation or other request
- ❖ An award or proposed award of the contract
- ❖ A termination or cancellation of an award of the contract, if the written objection contains an allegation that the termination or cancellation is based in whole or in part on improprieties concerning the award of the contract

Contrary to popular belief, **contractors may protest** GSA Schedule orders. The limitation for non-Schedule multiple award IDIQs found in FAR 16.505(a)(9) does not apply to MAS contracts.

Procedural issues may include use of FAR Part 15-type procedures, vs. FAR Subpart 8.4. Scope issues can arise if some of the work involved in providing a solution for a federal customer is outside the scope of the Schedule contract. Good market research should prevent this type of error. If the protest is on an “open market” item included in a Schedule order, it may be that the item is not part of the Schedule contract and it was not specifically identified as “open market.”

Order Administration Functions

(slide)

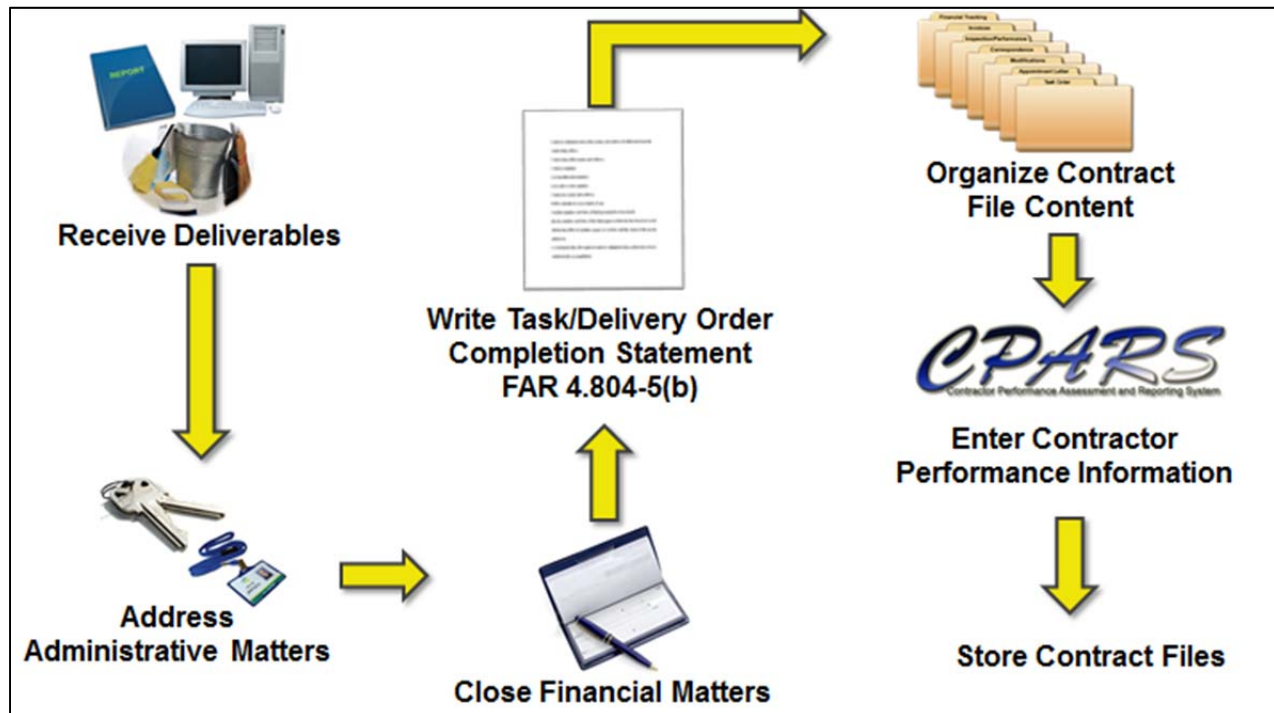
- ❑ Order administration focuses on obtaining **quality** services and supplies:
 - On time
 - Within budget
- ❑ Administration activities vary depending upon the situation but may include:
 - Monitoring contractor performance
 - Non-conformance remedies
 - Dispute resolution
 - Inspection and acceptance
 - Order/BPA modifications
 - Performance incentive payment determinations
 - Prompt payments
 - Order/BPA Close-out

The Schedule user is responsible for administering Schedule orders and BPAs issued under Schedule contracts.

Schedule order or BPA administration activities vary depending upon the acquisition situation and may include monitoring contractor performance, non-conformance remedies, dispute resolution, inspection and acceptance, order/BPA modifications, performance incentives, payments, and order/BPA close-out. FAR 4.804-1 provides timeframes for closeout. Simplified acquisitions should be closed out as soon as receipt has been verified and payment has been made.

Required Actions at Closeout

(slide)



Contracts involving:	Timeframe for closing after completion or receipt of goods:
Simplified acquisition procedures	Immediately after final payment
FFP, without simplified acquisition procedures	6 months
Settlement of indirect costs	36 months
All other types	20 months

The closeout process ensures that all terms and conditions have been met. FAR

4.804-1 requires that contracts be closed according to the following guidelines:

- ❖ Files for contracts using simplified acquisition procedures should be considered closed when the Contracting Officer receives evidence of receipt of property and final payment has been made, unless otherwise specified by agency regulations.
- ❖ Files for firm, fixed-price contracts, other than those using simplified acquisition procedures, should be closed within 6 months after the date on which the Contracting Officer receives evidence of physical completion.
- ❖ Files for contracts requiring settlement of indirect cost rates should be closed within 36 months of when the Contracting Officer receives evidence of physical completion.

- ❖ Files for all other contracts should be closed within 20 months of when the Contracting Officer receives evidence of physical completion.

The Contracting Officer can use Quick Closeout as indicated in FAR 42.708 if the following conditions occur:

- ❖ A contract with indirect costs is physically complete
- ❖ The amount of unsettled indirect cost to be allocated to the contract is relatively insignificant
- ❖ The Contracting Officer can reach agreement with all interested parties on a reasonable estimate of allocable dollars

Indirect cost amounts are considered insignificant when:

- ❖ The total unsettled indirect cost to be allocated to any one contract does not exceed \$1,000,000; and
- ❖ Unless otherwise provided in agency procedures, the cumulative unsettled indirect costs to be allocated to one or more contracts in a single fiscal year do not exceed 15 percent of the estimated, total unsettled indirect costs allocable to cost-type contracts for that fiscal year. The Contracting Officer may waive the 15 percent restriction based upon a risk assessment that considers the contractor's accounting, estimating, and purchasing systems; other concerns of the cognizant contract auditors; and any other pertinent information.

Closeout cannot occur if a contract:

- ❖ Is in litigation or under appeal; or
- ❖ Is being terminated and all termination actions have not been completed.

Requirements for Termination

(slide)

To terminate a Schedule order:

- ☐ Review the GSA Schedule contract to identify applicable clauses prior to taking action
- ☐ Include in the order file a record of dates the Schedule contractor received notices and copies of all documentation to and from the contractor

When terminating a Schedule order, the ordering activity Contracting Officer :

- ❖ Should review the GSA Schedule contract to identify the applicable clauses before taking any action towards termination
- ❖ Must include, in the order file, a record of dates the contractor received notices. Information from the COTR will support the Contracting Officer .
- ❖ Should look for additional information, as needed, in FAR 52.212-4, 8.406-4, and 8.406-5

The timing of actions related to order termination can affect the rights of the parties. To clarify the timing of those actions, the order file must include a record of the date any notices described in this section are received by the contractor. When one of these notices is mailed, it must be sent by certified mail, return receipt requested. When the ordering activity arranges for hand delivery of the notice, a written acknowledgement of receipt must be obtained from the contractor. These receipts must be retained in the order file along with a copy of the related notice.

Schedule contracts contain clauses that allow ordering activities to terminate task orders with contractors. Ordering activities can terminate orders using one of two options:

- ❖ **Termination for Cause.** Cancellation of a contract or any part thereof, because the contractor defaults or fails to comply with any contract terms and conditions, or fails to provide the government, upon request, with adequate assurances of future performance.
- ❖ **Termination for Convenience.** Cancellation of a contract or any part thereof, when it is in the government's best interest to do so (e.g., when an item is no longer needed).



MAS Desk Reference

For more Terminations, refer to the *MAS Desk Reference: Section 6.*

Termination for Cause

(slide)

- ❑ FAR Subpart 8.406-4
- ❑ The ordering activity has the right to terminate all or part of an order when the contractor defaults or fails to comply with any of the contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance.
- ❑ Ordering activity must notify GSA when:
 - Schedule order is terminated for cause
 - Fraud is suspected

According to the termination for cause terms in FAR 52.212-4 (Deviation) and FAR 52.212-4 (Alternate I) (Deviation), the ordering activity reserves the right to terminate the order, or any part thereof, for cause:

- ❖ In the event of any default by the contractor
- ❖ If the contractor fails to comply with any contract term or condition
- ❖ If the contractor fails to provide the government (upon request) with adequate assurances of future performance

Schedule orders cannot be terminated for cause if it is determined that a Schedule contractor has a valid excusable failure.

Government/Contractor Liabilities

The ordering agency is not liable for any services or supplies not accepted.

The contractor is liable for all rights and remedies provided by law. The government's preferred remedy is to acquire similar items from another contractor and to charge the defaulted contractor with any excess repurchase costs and any incidental or consequential damages incurred due to the termination.

If the termination remedy is repurchase, and the terminated contractor is charged any excess costs, the ordering activity must repurchase at the lowest price possible, considering the quality required by the government, delivery requirements, and administrative expenses.

When excess costs are anticipated, the ordering activity may withhold funds due to the contractor as offset security. Ordering activities must minimize excess costs to be charged against the contractor and collect or set-off any excess costs owed.

If an ordering activity is unable to collect excess repurchase costs, it must notify the Schedule contracting office after final order payment to the contractor.

Termination for Convenience

(slide)

- ❑ FAR Subpart 8.406-5
- ❑ The ordering activity has the right to terminate all or part of an order when it is in the Government's best interest (e.g., when an item is no longer needed).
- ❑ If the Schedule contracting officer terminates any services or supplies covered by the contract:
 - The contractor **must** complete any orders for those services or supplies
 - The ordering activity contracting officer **may** terminate the order for convenience

The ordering activity Contracting Officer may unilaterally terminate all or part of a Schedule order at any time, with or without giving any reason, for the convenience of the government when it is in the government's best interest (e.g., when an item is no longer needed). Terminating an order has no effect on the Schedule contract.

Before terminating an order for convenience, the ordering activity Contracting Officer must try to enter into a no-cost settlement agreement with the Schedule contractor. The Contracting Officer should be able to negotiate a no-cost cancellation in situations where it is in the interest of both parties to the Schedule order, such as in the following circumstances:

- ❖ An off-the-shelf supply has not been shipped; or
- ❖ No significant work has been expended by the contractor in providing a service or special-order supply, or no work hours have been expended.

If a no-cost settlement cannot be reached, the Contracting Officer sends a Notice of Termination for Convenience to the contractor.

Once the contractor receives the Notice of Termination for Convenience, he/she must immediately stop work and ensure all suppliers and subcontractors cease work.

The parties to the Schedule order should mutually agree upon the requirements of the termination settlement quote. The parties must balance the government's need to obtain sufficient documentation to support payment to the contractor against the goals of having a simple and expeditious settlement.

Termination for Convenience: Liabilities and Rights

When an ordering activity Contracting Officer terminates a GSA Schedule fixed-price order for the government's convenience, the contractor must be paid:

- ❖ The percentage of the contract price reflecting the percentage of the work performed prior to the notice of the termination; plus
- ❖ Reasonable charges the contractor can demonstrate, to the satisfaction of the ordering activity using a standard record keeping system, resulting from the termination.

The contractor must not be required to comply with the Cost Accounting Standards Board, Cost Accounting Standards (CAS) or the contract cost principles in FAR Part 31, *Contract Cost Principles and Procedures*. The government does not have any right to audit the contractor's records solely because of the termination for convenience.

The contractor must not be paid for any work performed or costs incurred which could have been avoided.

When an ordering activity Contracting Officer terminates a GSA Schedule LH or T&M task order for the government's convenience, the contractor must be paid an amount for direct labor hours (as defined in the GSA Schedule contract and order) determined by multiplying the number of direct labor hours expended before the effective date of termination by the hourly rate(s) in the order, less any hourly rate payments already made to the Contractor, plus reasonable charges the contractor can demonstrate to the satisfaction of the ordering activity, using its standard recordkeeping system, that have resulted from the termination.

Topic 8: e-Tools

GSA Advantage!

(slide)



- ☐ Search
- ☐ Review
- ☐ Place Order
- ☐ View history

www.gsaadvantage.gov

GSA Advantage! - an online shopping service through which ordering activities may place orders against the Schedules using the Governmentwide Purchase Card.

GSA Advantage!® is an online catalog, information, and ordering system. The system gives authorized customers the ability to search, identify, compare, and order Schedule items that offer the best value to the government. By using GSA Advantage!® the user can search through the millions of supplies and services that are available under Schedule contracts and it is the first stop for commodity purchases. When beginning any commodity procurement research, the first market research tool suggested is a simple search for the product under GSA Advantage!®.



NUTS AND BOLTS TIP

No registration is required to use GSA Advantage!® or eLibrary for market research.

eBuy

(slide)



- ☐ Post Requirements
- ☐ Issue RFI/RFQ
- ☐ Notification of Award

www.ebuy.gsa.gov

eBuy - An online RFQ system that allows ordering activities to post requirements, obtain quotes, and issue orders.

eBuy, GSA's electronic Request for Quotation (RFQ) system, streamlines the buying process with point and click functionality by allowing RFQs and RFIs to be exchanged between federal buyers and Schedule contractors. Use of eBuy increases competition in federal contracting through its transparency feature—allowing maximum exposure to all vendors within a specific SIN. eBuy greatly supports civilian and DOD goals of increased competition in contracting.

Market research may be facilitated using eBuy to distribute an RFI to Schedule contractors. Using an RFI via eBuy may produce valuable feedback from potential Schedule contractors on how to best tailor the acquisition and how to best utilize Schedule sources. RFIs should be clearly identified as such, and include a statement such as: "This is a request for information only. No award will be made as a result of this request."

Issuing an RFQ via eBuy allows ordering activities to post requirements, obtain quotes, and award orders electronically.



NUTS AND BOLTS TIP

Note: IAW with DFARS PGI 208.405-70, posting of a request for quotation on eBuy, is one medium for providing fair notice to all contractors as required by FAR 8.405 and DFARS 208.405-70(c)(2).

eLibrary

(slide)



- ☐ Schedules listings
- ☐ Descriptions
- ☐ Clauses
- ☐ Contractor details
- ☐ EPLS status

www.gsaelibrary.gsa.gov

eLibrary - The official online source for complete GSA and VA Schedules information – a great market research tool.

GSA eLibrary provides access to information on millions of supplies and services. It is the official online source for complete GSA and VA Schedules contract award information. GSA eLibrary is a centralized source for researching Schedules that include:

- ❖ Basic ordering guidelines
- ❖ Complete Schedule listings
- ❖ Powerful search engine
- ❖ Vendor socio-economic status

GSA eLibrary enables you to search which suppliers have a contract and what is currently available. Searches can be conducted using various search options, e.g. Schedule contractor's name, contract number, SIN, Schedule number or keyword. GSA eLibrary provides links to GSA *Advantage!*® and GSA eBuy for ordering agencies and provides direct access to contractor websites and e-mail addresses.



Knowledge Check 1

An organization requires contracting support for a new system. What are the benefits of using a GSA Schedule contract?

Answer:



Knowledge Check 2

An organization requires contracting support for a new system. What are the characteristics of a GSA contract?

Answer:



Knowledge Check 3

An organization requires contracting support for a new system. What parts of the FAR are relevant to GSA Schedule contracts?

Answer:



Knowledge Check 4

List sources for Market Research

Answer:



Knowledge Check 5

You are part of a selection board that is seeking to implement a new payment processing software. The board has narrowed the selection down to two solutions: (1) a system that uses new technology and (2) one that has a longer track record of success but is \$10,000 more expensive.

What factors would you consider when making the best value decision?

Answer:



Knowledge Check 6

You are a Contracting Officer. An acquisition team wants to use a Schedule contractor for the ongoing purchase of IT equipment. You suggest the organization consider a Schedule BPA.

List the benefits of using a Schedule BPA

Answer:



Knowledge Check 7

An ordering activity is about to begin administering a new order. Which tasks must be performed in order administration?

Answer:



Knowledge Check 8

When is an order physically complete?

Answer:

Appendix

Appendix A – FAR Subpart 8.4

Appendix B – Blanket Purchase Agreements (BPAs)

Appendix C – GSA Publication “*Building Flexibility, Speed & Value into Acquisition*”

Appendix A – FAR Subpart 8.4

Subpart 8.4—Federal Supply Schedules

8.401 Definitions.

As used in this subpart—

“Ordering activity” means an activity that is authorized to place orders, or establish blanket purchase agreements (BPA), against the General Services Administration’s (GSA) Multiple Award Schedule contracts. A list of eligible ordering activities is available at <http://www.gsa.gov/schedules> (click “For Customers Ordering from Schedules” and then “Eligibility to Use GSA Sources”).

“Multiple Award Schedule (MAS)” means contracts awarded by GSA or the Department of Veterans Affairs (VA) for similar or comparable supplies, or services, established with more than one supplier, at varying prices. The primary statutory authorities for the MAS program are Title III of the Federal Property and Administrative Services Act of 1949 ([41 U.S.C. 251](#), *et seq.*) and Title [40 U.S.C. 501](#), Services for Executive Agencies.

“Requiring agency” means the agency needing the supplies or services.

“Schedules e-Library” means the on-line source for GSA and VA Federal Supply Schedule contract award information. Schedules e-Library may be accessed at <http://www.gsa.gov/elibrary>.

“Special Item Number (SIN)” means a group of generically similar (but not identical) supplies or services that are intended to serve the same general purpose or function.

8.402 General.

(a) The Federal Supply Schedule program is also known as the GSA Schedules Program or the Multiple Award Schedule Program. The Federal Supply Schedule program is directed and managed by GSA and provides Federal agencies (see [8.002](#)) with a simplified process for obtaining commercial supplies and services at prices associated with volume buying. Indefinite delivery contracts are awarded to provide supplies and services at stated prices for given periods of time. GSA may delegate certain responsibilities to other agencies (*e.g.*, GSA has delegated authority to the VA to procure medical supplies under the VA Federal Supply Schedules program). Orders issued under the VA Federal Supply Schedule program are covered by this subpart. Additionally, the Department of Defense (DoD) manages similar systems of schedule-type contracting for military items; however, DoD systems are not covered by this subpart.

(b) GSA schedule contracts require all schedule contractors to publish an “Authorized Federal Supply Schedule Pricelist” (pricelist). The pricelist contains all supplies and services offered by a schedule contractor. In addition, each pricelist contains the pricing and the terms and conditions pertaining to each Special Item Number that is on schedule. The schedule contractor is required to provide one copy of its pricelist to any ordering activity upon request. Also, a copy of the pricelist may be obtained from the Federal Supply Service by submitting a written e-mail request to schedules.infocenter@gsa.gov or by telephone at 1-800-488-3111. This subpart, together with the pricelists, contain necessary information for placing delivery or task orders with schedule contractors. In addition, the GSA schedule contracting office issues Federal Supply Schedules publications that contain a general overview of the Federal Supply Schedule (FSS) program and address pertinent topics. Ordering activities may request copies of schedules publications by contacting the Centralized Mailing List Service through the Internet at <http://www.gsa.gov/cmls>, submitting written e-mail requests to CMLS@gsa.gov; or by completing GSA Form 457, FSS Publications Mailing List Application, and mailing it to the GSA Centralized Mailing List

Service (7SM), P.O. Box 6477, Fort Worth, TX 76115. Copies of GSA Form 457 may also be obtained from the above-referenced points of contact.

(c)(1) GSA offers an on-line shopping service called “GSA Advantage!” through which ordering activities may place orders against Schedules. (Ordering activities may also use GSA Advantage! to place orders through GSA’s Global Supply System, a GSA wholesale supply source, formerly known as “GSA Stock” or the “Customer Supply Center.” FAR [Subpart 8.4](#) is not applicable to orders placed through the GSA Global Supply System.) Ordering activities may access GSA Advantage! through the GSA Federal Supply Service Home Page (<http://www.gsa.gov/fas>) or the GSA Federal Supply Schedule Home Page at <http://www.gsa.gov/schedules>.

(2) GSA Advantage! enables ordering activities to search specific information (*i.e.*, national stock number, part number, common name), review delivery options, place orders directly with Schedule contractors (except see [8.405-6](#)) and pay for orders using the Governmentwide commercial purchase card.

(d)(1) *e-Buy*, GSA’s electronic Request for Quotation (RFQ) system, is a part of a suite of on-line tools which complement GSA Advantage!. E-Buy allows ordering activities to post requirements, obtain quotes, and issue orders electronically. Posting an RFQ on e-Buy—

(i) Is one medium for providing fair notice to all schedule contractors offering such supplies and services as required by [8.405-1](#), [8.405-2](#), and [8.405-3](#); and

(ii) Is required when an order contains brand-name specifications (see [8.405-6](#)).

(2) Ordering activities may access e-Buy at <http://www.ebuy.gsa.gov>. For more information or assistance on either GSA Advantage! or e-Buy, contact GSA at Internet e-mail address gsa.advantage@gsa.gov.

(e) For more information or assistance regarding the Federal Supply Schedule Program, review the following website: <http://www.gsa.gov/schedules>. Additionally, for on-line training courses regarding the Schedules Program, review the following website: <http://www.gsa.gov/training>.

(f) For administrative convenience, an ordering activity contracting officer may add items not on the Federal Supply Schedule (also referred to as open market items) to a Federal Supply Schedule blanket purchase agreement (BPA) or an individual task or delivery order only if—

(1) All applicable acquisition regulations pertaining to the purchase of the items not on the Federal Supply Schedule have been followed (*e.g.*, publicizing ([Part 5](#)), competition requirements ([Part 6](#)), acquisition of commercial items ([Part 12](#)), contracting methods ([Parts 13, 14, and 15](#)), and small business programs ([Part 19](#)));

(2) The ordering activity contracting officer has determined the price for the items not on the Federal Supply Schedule is fair and reasonable;

(3) The items are clearly labeled on the order as items not on the Federal Supply Schedule; and

(4) All clauses applicable to items not on the Federal Supply Schedule are included in the order.

(g) When using the Governmentwide commercial purchase card as a method of payment, orders at or below the micro-purchase threshold are exempt from verification in the Central Contractor Registration (CCR) database as to whether the contractor has a delinquent debt subject to collection under the Treasury Offset Program (TOP).

8.403 Applicability.

(a) Procedures in this subpart apply to—

(1) Individual orders for supplies or services placed against Federal Supply Schedules contracts; and

(2) BPAs established against Federal Supply Schedule contracts.

(b) GSA may establish special ordering procedures for a particular schedule. In this case, that schedule will specify those special ordering procedures. Unless otherwise noted, special ordering procedures established for a Federal Supply Schedule take precedence over the procedures in [8.405](#).

(c) In accordance with section 1427(b) of Public Law 108-136, for requirements that substantially or to a dominant extent specify performance of architect-engineer services (as defined in [2.101](#)), agencies—

(1) Shall use the procedures at [Subpart 36.6](#); and

(2) Shall not place orders for such requirements under a Federal Supply Schedule.

8.404 Use of Federal Supply Schedules.

(a) *General.* [Parts 13](#) (except [13.303-2\(c\)\(3\)](#)), [14](#), [15](#), and [19](#) (except for the requirement at [19.202-1\(e\)\(1\)\(iii\)](#)) do not apply to BPAs or orders placed against Federal Supply Schedules contracts (but see [8.405-5](#)). BPAs and orders placed against a MAS, using the procedures in this subpart, are considered to be issued using full and open competition (see [6.102\(d\)\(3\)](#)). Therefore, when establishing a BPA (as authorized by [13.303-2\(c\)\(3\)](#)), or placing orders under Federal Supply Schedule contracts using the procedures of [8.405](#), ordering activities shall not seek competition outside of the Federal Supply Schedules or synopsise the requirement; but see paragraph (g) of this section.

(b)(1) The contracting officer, when placing an order or establishing a BPA, is responsible for applying the regulatory and statutory requirements applicable to the agency for which the order is placed or the BPA is established. The requiring agency shall provide the information on the applicable regulatory and statutory requirements to the contracting officer responsible for placing the order.

(2) For orders over \$500,000, see subpart [17.5](#) for additional requirements for interagency acquisitions. For example, the requiring agency shall make a determination that use of the Federal Supply Schedule is the best procurement approach, in accordance with [17.502-1\(a\)](#).

(c) *Acquisition planning.* Orders placed under a Federal Supply Schedule contract—

(1) Are not exempt from the development of acquisition plans (see [Subpart 7.1](#)), and an information technology acquisition strategy (see [Part 39](#));

(2) Must comply with all FAR requirements for a bundled contract when the order meets the definition of “bundled contract” (see [2.101\(b\)](#)); and

(3) Must, whether placed by the requiring agency, or on behalf of the requiring agency, be consistent with the requiring agency’s statutory and regulatory requirements applicable to the acquisition of the supply or service.

(d) *Pricing.* Supplies offered on the schedule are listed at fixed prices. Services offered on the schedule are priced either at hourly rates, or at a fixed price for performance of a specific task (e.g., installation, maintenance, and repair). GSA has already determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, under schedule contracts to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing, except for a price evaluation as required by [8.405-2\(d\)](#). By placing an order against a schedule contract using the procedures in [8.405](#), the ordering activity has concluded that the order represents the best value (as defined in FAR [2.101](#)) and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government’s needs. Although GSA has already negotiated fair and reasonable pricing, ordering activities may seek additional discounts before placing an order (see [8.405-4](#)).

(e) The procedures under subpart [33.1](#) are applicable to the issuance of an order or the establishment of a BPA against a schedule contract.

(f) If the ordering activity issues an RFQ, the ordering activity shall provide the RFQ to any schedule contractor that requests a copy of it.

(g)(1) Ordering activities shall publicize contract actions funded in whole or in part by the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5):

(i) Notices of proposed MAS orders (including orders issued under BPAs) that are for “informational purposes only” exceeding \$25,000 shall follow the procedures in [5.704](#) for posting orders.

(ii) Award notices for MAS orders (including orders issued under BPAs) shall follow the procedures in [5.705](#).

(2) When an order is awarded or a Blanket Purchase Agreement is established with an estimated value greater than the simplified acquisition threshold and supported by a limited-source justification at [8.405-6\(a\)](#), the ordering activity contracting officer must—

(i) Publicize the action (see [5.301](#)); and

(ii) Post the justification in accordance with [8.405-6\(a\)\(2\)](#).

(h) Type-of-order preference for services.

(1) The ordering activity shall specify the order type (*i.e.*, firm-fixed price, time-and-materials, or labor-hour) for the services offered on the schedule priced at hourly rates.

(2) Agencies shall use fixed-price orders for the acquisition of commercial services to the maximum extent practicable.

(3)(i) A time-and-materials or labor-hour order may be used for the acquisition of commercial services only when it is not possible at the time of placing the order to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.

(ii) Prior to the issuance of a time-and-materials or labor-hour order, the contracting officer shall—

(A) Execute a determination and findings (D&F) for the order, in accordance with paragraph (h)(3)(iii) of this section that a fixed-price order is not suitable;

(B) Include a ceiling price in the order that the contractor exceeds at its own risk; and

(C) When the total performance period, including options, is more than three years, the D&F prepared in accordance with this paragraph shall be signed by the contracting officer and approved by the head of the contracting activity prior to the execution of the base period.

(iii) The D&F required by paragraph (h)(3)(ii)(A) of this section shall contain sufficient facts and rationale to justify that a fixed-price order is not suitable. At a minimum, the D&F shall—

(A) Include a description of the market research conducted (see [8.404\(c\)](#) and [10.002\(e\)](#));

(B) Establish that it is not possible at the time of placing the order to accurately estimate the extent or duration of the work or anticipate costs with any reasonable degree of confidence;

(C) Establish that the current requirement has been structured to maximize the use of fixed-price orders (*e.g.*, by limiting the value or length of the time-and-materials/labor-hour order; or, establishing fixed prices for portions of the requirement) on future acquisitions for the same or similar requirements; and

(D) Describe actions to maximize the use of fixed-price orders on future acquisitions for the same requirements.

(iv) The contracting officer shall authorize any subsequent change in the order ceiling price only upon a determination, documented in the order file, that it is in the best interest of the ordering activity to change the ceiling price.

8.405 Ordering procedures for Federal Supply Schedules.

Ordering activities shall use the ordering procedures of this section when placing an order or establishing a BPA for supplies or services. The procedures in this section apply to all schedules. For establishing BPAs and for orders under BPAs see [8.405-3](#).

8.405-1 Ordering procedures for supplies, and services not requiring a statement of work.

(a) Ordering activities shall use the procedures of this subsection when ordering supplies and services that are listed in the schedules contracts at a fixed price for the performance of a specific task, where a statement of work is not required (e.g., installation, maintenance, and repair). For establishing BPAs and for orders under BPAs see [8.405-3](#).

(b) *Orders at or below the micro-purchase threshold.* Ordering activities may place orders at, or below, the micro-purchase threshold with any Federal Supply Schedule contractor that can meet the agency's needs. Although not required to solicit from a specific number of schedule contractors, ordering activities should attempt to distribute orders among contractors.

(c) *Orders exceeding the micro-purchase threshold but not exceeding the simplified acquisition threshold.* Ordering activities shall place orders with the schedule contractor that can provide the supply or service that represents the best value. Before placing an order, an ordering activity shall:

(1) Consider reasonably available information about the supply or service offered under MAS contracts by surveying at least three schedule contractors through the GSA Advantage! on-line shopping service, by reviewing the catalogs or pricelists of at least three schedule contractors, or by requesting quotations from at least three schedule contractors (see [8.405-5](#)); or

(2) Document the circumstances for restricting consideration to fewer than three schedule contractors based on one of the reasons at [8.405-6\(a\)](#);

(d) For proposed orders exceeding the simplified acquisition threshold.

(1) Each order shall be placed on a competitive basis in accordance with (d)(2) and (3) of this section, unless this requirement is waived on the basis of a justification that is prepared and approved in accordance with [8.405-6](#).

(2) The ordering activity contracting officer shall provide an RFQ that includes a description of the supplies to be delivered or the services to be performed and the basis upon which the selection will be made (see [8.405-1\(f\)](#)).

(3) The ordering activity contracting officer shall —

(i) Post the RFQ on e-Buy to afford all schedule contractors offering the required supplies or services under the appropriate multiple award schedule(s) an opportunity to submit a quote; or

(ii) Provide the RFQ to as many schedule contractors as practicable, consistent with market research appropriate to the circumstances, to reasonably ensure that quotes will be received from at least three contractors that can fulfill the requirements. When fewer than three quotes are received from schedule contractors that can fulfill the requirement, the contracting officer shall prepare a written determination explaining that no additional contractors capable of fulfilling the requirement could be identified despite reasonable efforts to do so. The determination must clearly explain efforts made to obtain quotes from at least three schedule contractors.

(4) The ordering activity contracting officer shall ensure that all quotes received are fairly considered and award is made in accordance with the basis for selection in the RFQ.

(e) When an order contains brand-name specifications, the contracting officer shall post the RFQ on e-Buy along with the justification or documentation, as required by [8.405-6](#). An RFQ is required when a purchase description specifies a brand-name.

(f) In addition to price (see [8.404\(d\)](#) and [8.405-4](#)), when determining best value, the ordering activity may consider, among other factors, the following:

- (1) Past performance.
- (2) Special features of the supply or service required for effective program performance.
- (3) Trade-in considerations.
- (4) Probable life of the item selected as compared with that of a comparable item.
- (5) Warranty considerations.
- (6) Maintenance availability.
- (7) Environmental and energy efficiency considerations.
- (8) Delivery terms.

(g) *Minimum documentation.* The ordering activity shall document—

- (1) The schedule contracts considered, noting the contractor from which the supply or service was purchased;
- (2) A description of the supply or service purchased;
- (3) The amount paid;
- (4) When an order exceeds the simplified acquisition threshold, evidence of compliance with the ordering procedures at [8.405-1\(d\)](#); and
- (5) The basis for the award decision.

8.405-2 Ordering procedures for services requiring a statement of work.

(a) *General.* Ordering activities shall use the procedures in this subsection when ordering services priced at hourly rates as established by the schedule contracts. The applicable services will be identified in the Federal Supply Schedule publications and the contractor's pricelists. For establishing BPAs and for orders under BPAs see [8.405-3](#).

(b) *Statements of Work (SOWs).* All Statements of Work shall include a description of work to be performed; location of work; period of performance; deliverable schedule; applicable performance standards; and any special requirements (e.g., security clearances, travel, special knowledge). To the maximum extent practicable, agency requirements shall be performance-based statements (see [Subpart 37.6](#)).

(c) *Request for Quotation procedures.* The ordering activity must provide the Request for Quotation (RFQ), which includes the statement of work and evaluation criteria (e.g., experience and past performance), to schedule contractors that offer services that will meet the agency's needs. The RFQ may be posted to GSA's electronic RFQ system, e-Buy (see [8.402\(d\)](#)).

(1) *Orders at, or below, the micro-purchase threshold.* Ordering activities may place orders at, or below, the micro-purchase threshold with any Federal Supply Schedule contractor that can meet the agency's needs. The ordering activity should attempt to distribute orders among contractors.

(2) *For orders exceeding the micro-purchase threshold, but not exceeding the simplified acquisition threshold.*

(i) The ordering activity shall develop a statement of work, in accordance with [8.405-2\(b\)](#).

(ii) The ordering activity shall provide the RFQ (including the statement of work and evaluation criteria) to at least three schedule contractors that offer services that will meet the agency's needs or document the circumstances for restricting consideration to fewer than three schedule contractors based on one of the reasons at [8.405-6\(a\)](#).

(iii) The ordering activity shall specify the type of order (*i.e.*, firm-fixed-price, labor-hour) for the services identified in the statement of work. The contracting Officer should establish firm-fixed-prices, as appropriate.

(3) For proposed orders exceeding the simplified acquisition threshold. In addition to meeting the requirements of [8.405-2](#)(c)(2)(i) and (iii), the following procedures apply:

(i) Each order shall be placed on a competitive basis in accordance with (c)(3)(ii) and (iii) of this section, unless this requirement is waived on the basis of a justification that is prepared and approved in accordance with [8.405-6](#).

(ii) The ordering activity contracting officer shall provide an RFQ that includes a statement of work and the evaluation criteria.

(iii) The ordering activity contracting officer shall—

(A) Post the RFQ on e-Buy to afford all schedule contractors offering the required services under the appropriate multiple-award schedule(s) an opportunity to submit a quote; or

(B) Provide the RFQ to as many schedule contractors as practicable, consistent with market research appropriate to the circumstances, to reasonably ensure that quotes will be received from at least three contractors that can fulfill the requirements. When fewer than three quotes are received from schedule contractors that can fulfill the requirements, the contracting officer shall prepare a written determination to explain that no additional contractors capable of fulfilling the requirements could be identified despite reasonable efforts to do so. The determination must clearly explain efforts made to obtain quotes from at least three schedule contractors.

(C) Ensure all quotes received are fairly considered and award is made in accordance with the evaluation criteria in the RFQ.

(4) The ordering activity shall provide the RFQ (including the statement of work and the evaluation criteria) to any schedule contractor who requests a copy of it.

(d) *Evaluation.* The ordering activity shall evaluate all responses received using the evaluation criteria provided to the schedule contractors. The ordering activity is responsible for considering the level of effort and the mix of labor proposed to perform a specific task being ordered, and for determining that the total price is reasonable. Place the order with the schedule contractor that represents the best value (see [8.404](#)(d) and [8.405-4](#)). After award, ordering activities should provide timely notification to unsuccessful offerors. If an unsuccessful offeror requests information on an award that was based on factors other than price alone, a brief explanation of the basis for the award decision shall be provided.

(e) *Use of time-and-materials and labor-hour orders for services.* When placing a time-and-materials or labor-hour order for services, see [8.404](#)(h).

(f) *Minimum documentation.* The ordering activity shall document—

(1) The schedule contracts considered, noting the contractor from which the service was purchased;

(2) A description of the service purchased;

(3) The amount paid;

(4) The evaluation methodology used in selecting the contractor to receive the order;

(5) The rationale for any tradeoffs in making the selection;

(6) The price reasonableness determination required by paragraph (d) of this subsection;

(7) The rationale for using other than—

(i) A firm-fixed price order; or

(ii) A performance-based order; and

(8) When an order exceeds the simplified acquisition threshold, evidence of compliance with the ordering procedures at [8.405-2\(c\)](#).

8.405-3 Blanket purchase agreements (BPAs).

(a) Establishment.

(1) Ordering activities may establish BPAs under any schedule contract to fill repetitive needs for supplies or services. Ordering activities shall establish the BPA with the schedule contractor(s) that can provide the supply or service that represents the best value.

(2) In addition to price (see [8.404\(d\)](#) and [8.405-4](#)), when determining best value, the ordering activity may consider, among other factors, the following:

- (i) Past performance.
- (ii) Special features of the supply or service required for effective program performance.
- (iii) Trade-in considerations.
- (iv) Probable life of the item selected as compared with that of a comparable item.
- (v) Warranty considerations.
- (vi) Maintenance availability.
- (vii) Environmental and energy efficiency considerations.
- (viii) Delivery terms.

(3)(i) The ordering activity contracting officer shall, to the maximum extent practicable, give preference to establishing multiple-award BPAs, rather than establishing a single-award BPA.

(ii) No single-award BPA with an estimated value exceeding \$103 million (including any options), may be awarded unless the head of the agency determines in writing that—

(A) The orders expected under the BPA are so integrally related that only a single source can reasonably perform the work;

(B) The BPA provides only for firm-fixed priced orders for—

- (1) Products with unit prices established in the BPA; or
- (2) Services with prices established in the BPA for specific tasks to be performed;

(C) Only one source is qualified and capable of performing the work at a reasonable price to the Government; or

(D) It is necessary in the public interest to award the BPA to a single source for exceptional circumstances.

(iii) The requirement for a determination for a single-award BPA greater than \$103 million is in addition to any applicable requirement for a limited-source justification at [8.405-6](#). However, the two documents may be combined into one document.

(iv) In determining how many multiple-award BPAs to establish or that a single-award BPA is appropriate, the contracting officer should consider the following factors and document the decision in the acquisition plan or BPA file:

- (A) The scope and complexity of the requirement(s);
- (B) The benefits of on-going competition and the need to periodically compare multiple technical approaches or prices;
- (C) The administrative costs of BPAs; and

(D) The technical qualifications of the schedule contractor(s).

(4) BPAs shall address the frequency of ordering, invoicing, discounts, requirements (e.g., estimated quantities, work to be performed), delivery locations, and time.

(5) When establishing multiple-award BPAs, the ordering activity shall specify the procedures for placing orders under the BPAs in accordance with [8.405-3\(c\)\(2\)](#).

(6) Establishment of a multi-agency BPA against a Federal Supply Schedule contract is permitted if the multi-agency BPA identifies the participating agencies and their estimated requirements at the time the BPA is established.

(7) *Minimum documentation.* The ordering activity contracting officer shall include in the BPA file documentation the—

(i) Schedule contracts considered, noting the contractor to which the BPA was awarded;

(ii) Description of the supply or service purchased;

(iii) Price;

(iv) Required justification for a limited-source BPA (see [8.405-6](#)), if applicable;

(v) Determination for a single-award BPA exceeding \$100 million, if applicable (see (a)(3)(ii));

(vi) Documentation supporting the decision to establish multiple-award BPAs or a single-award BPA (see (a)(3)(iv));

(vii) Evidence of compliance with paragraph (b) of this section, for competitively awarded BPAs, if applicable; and

(viii) *Basis for the award decision.* This should include the evaluation methodology used in selecting the contractor, the rationale for any tradeoffs in making the selection, and a price reasonableness determination for services requiring a statement of work.

(b) *Competitive procedures for establishing a BPA.* This paragraph applies to the establishment of a BPA, in addition to applicable instructions in paragraph (a).

(1) *For supplies, and for services not requiring a statement of work.* The procedures of this paragraph apply when establishing a BPA for supplies and services that are listed in the schedule contract at a fixed price for the performance of a specific task, where a statement of work is not required (e.g., installation, maintenance, and repair).

(i) If the estimated value of the BPA does not exceed the simplified acquisition threshold.

(A) The ordering activity shall:

(1) Consider reasonably available information about the supply or service offered under MAS contracts by surveying at least three schedule contractors through the GSA Advantage! on-line shopping service, by reviewing the catalogs or pricelists of at least three schedule contractors, or by requesting quotations from at least three schedule contractors (see [8.405-5](#)); or

(2) Document the circumstances for restricting consideration to fewer than three schedule contractors based on one of the reasons at [8.405-6\(a\)](#).

(B) The ordering activity shall establish the BPA with the schedule contractor(s) that can provide the best value.

(ii) *If the estimated value of the BPA exceeds the simplified acquisition threshold.* The ordering activity contracting officer:

(A) Shall provide an RFQ that includes a description of the supplies to be delivered or the services to be performed and the basis upon which the selection will be made.

(B) (1) Shall post the RFQ on e-Buy to afford all schedule contractors offering the required supplies or services under the appropriate multiple award schedule(s) an opportunity to submit a quote; or

(2) Shall provide the RFQ to as many schedule contractors as practicable, consistent with market research appropriate to the circumstances, to reasonably ensure that quotes will be received from at least three contractors that can fulfill the requirements. When fewer than three quotes are received from schedule contractors that can fulfill the requirements, the contracting officer shall prepare a written determination explaining that no additional contractors capable of fulfilling the requirements could be identified despite reasonable efforts to do so. The determination must clearly explain efforts made to obtain quotes from at least three schedule contractors.

(C) Shall ensure all quotes received are fairly considered and award is made in accordance with the basis for selection in the RFQ. After seeking price reductions (see [8.405-4](#)), establish the BPA with the schedule contractor(s) that provides the best value.

(D) The BPA must be established in accordance with paragraphs (b)(1)(ii)(B) and (C) of this section, unless the requirement is waived on the basis of a justification that is prepared and approved in accordance with [8.405-6](#).

(2) *For services requiring a statement of work.* This applies when establishing a BPA that requires services priced at hourly rates, as provided by the schedule contract. The applicable services will be identified in the Federal Supply Schedule publications and the contractor's pricelists.

(i) *Statements of Work (SOWs).* The ordering activity shall develop a statement of work. All Statements of Work shall include a description of work to be performed; location of work; period of performance; deliverable schedule; applicable performance standards; and any special requirements (e.g., security clearances, travel, and special knowledge). To the maximum extent practicable, agency requirements shall be performance-based statements (see subpart [37.6](#)).

(ii) *Type-of-order preference.* The ordering activity shall specify the order type (i.e., firm-fixed price, time-and-materials, or labor-hour) for the services identified in the statement of work. The contracting officer should establish firm-fixed priced orders to the maximum extent practicable. For time-and-materials and labor-hour orders, the contracting officer shall follow the procedures at [8.404\(h\)](#).

(iii) *Request for Quotation procedures.* The ordering activity must provide a RFQ, which includes the statement of work and evaluation criteria (e.g., experience and past performance), to schedule contractors that offer services that will meet the agency's needs. The RFQ may be posted to GSA's electronic RFQ system, e-Buy (see [8.402\(d\)](#)).

(iv) *If the estimated value of the BPA does not exceed the simplified acquisition threshold.* The ordering activity shall provide the RFQ (including the statement of work and evaluation criteria) to at least three schedule contractors that offer services that will meet the agency's needs.

(v) *If estimated value of the BPA exceeds the simplified acquisition threshold.* The ordering activity contracting officer—

(A) Shall post the RFQ on e-Buy to afford all schedule contractors offering the required supplies or services under the appropriate multiple-award schedule an opportunity to submit a quote; or

(B) Shall provide the RFQ, which includes the statement of work and evaluation criteria, to as many schedule contractors as practicable, consistent with market research appropriate to the circumstances, to reasonably ensure that quotes will be received from at least three contractors that can fulfill the requirements. When fewer than three quotes are received from schedule contractors that can fulfill the requirements, the contracting officer shall document the file. The contracting officer shall prepare a written determination explaining that no additional contractors capable of fulfilling the requirements could be identified despite reasonable efforts to do so. The determination must clearly explain efforts made to obtain quotes from at least three schedule contractors.

(vi) The ordering activity contracting officer shall ensure all quotes received are fairly considered and award is made in accordance with the basis for selection in the RFQ. The ordering activity is responsible for considering the level of effort and the mix of labor proposed to perform, and for determining that the proposed price is reasonable.

(vii) The BPA must be established in accordance with paragraph (b)(2)(iv) or (v), and with paragraph (b)(2)(vi) of this section, unless the requirement is waived on the basis of a justification that is prepared and approved in accordance with [8.405-6](#).

(viii) The ordering activity contracting officer shall establish the BPA with the schedule contractor(s) that represents the best value (see [8.404\(d\)](#) and [8.405-4](#)).

(3) After award, ordering activities should provide timely notification to unsuccessful offerors. If an unsuccessful offeror requests information on an award that was based on factors other than price alone, a brief explanation of the basis for the award decision shall be provided.

(c) *Ordering from BPAs.* The procedures in this paragraph (c) are not required for BPAs established on or before May 16, 2011. However, ordering activities are encouraged to use the procedures for such BPAs.

(1) *Single-award BPA.* If the ordering activity establishes a single-award BPA, authorized users may place the order directly under the established BPA when the need for the supply or service arises.

(2) *Multiple-award BPAs.*

(i) Orders at or below the micro-purchase threshold. The ordering activity may place orders at or below the micro-purchase threshold with any BPA holder that can meet the agency needs. The ordering activity should attempt to distribute any such orders among the BPA holders.

(ii) Orders exceeding the micro-purchase threshold but not exceeding the simplified acquisition threshold.

(A) The ordering activity must provide each multiple-award BPA holder a fair opportunity to be considered for each order exceeding the micro-purchase threshold, but not exceeding the simplified acquisition threshold unless one of the exceptions at [8.405-6\(a\)\(1\)\(i\)](#) applies.

(B) The ordering activity need not contact each of the multiple-award BPA holders before placing an order if information is available to ensure that each BPA holder is provided a fair opportunity to be considered for each order.

(C) The ordering activity contracting officer shall document the circumstances when restricting consideration to less than all multiple-award BPA holders offering the required supplies and services.

(iii) Orders exceeding the simplified acquisition threshold.

(A) The ordering activity shall place an order in accordance with paragraphs (c)(2)(iii)(A)(1), (2) and (3) of this paragraph, unless the requirement is waived on the basis of a justification that is prepared and approved in accordance with [8.405-6](#). The ordering activity shall—

(1) Provide an RFQ to all BPA holders offering the required supplies or services under the multiple-award BPAs, to include a description of the supplies to be delivered or the services to be performed and the basis upon which the selection will be made;

(2) Afford all BPA holders responding to the RFQ an opportunity to submit a quote; and

(3) Fairly consider all responses received and make award in accordance with the selection procedures.

(B) The ordering activity shall document evidence of compliance with these procedures and the basis for the award decision.

(3) *BPAs for hourly-rate services.* If the BPA is for hourly-rate services, the ordering activity shall develop a statement of work for each order covered by the BPA. Ordering activities should place these orders on a firm-fixed price basis to the maximum extent practicable. For time-and-materials and labor-hour orders, the contracting officer shall follow the procedures at [8.404\(h\)](#). All orders under the BPA shall specify a price for the performance of the tasks identified in the statement of work.

(d) *Duration of BPAs.*

(1) Multiple-award BPAs generally should not exceed five years in length, but may do so to meet program requirements.

(2) A single-award BPA shall not exceed one year. It may have up to four one-year options. See paragraph (e) of this section for requirements associated with option exercise.

(3) Contractors may be awarded BPAs that extend beyond the current term of their GSA Schedule contract, so long as there are option periods in their GSA Schedule contract that, if exercised, will cover the BPA's period of performance.

(e) *Review of BPAs.*

(1) The ordering activity contracting officer shall review the BPA and determine in writing, at least once a year (e.g., at option exercise), whether—

(i) The schedule contract, upon which the BPA was established, is still in effect;

(ii) The BPA still represents the best value (see [8.404\(d\)](#)); and

(iii) Estimated quantities/amounts have been exceeded and additional price reductions can be obtained.

(2) The determination shall be included in the BPA file documentation.

(3) If a single-award BPA is established, the ordering activity contracting officer's annual determination must be approved by the ordering activity's competition advocate prior to the exercise of an option to extend the term of the BPA.

8.405-4 Price reductions.

Ordering activities may request a price reduction at any time before placing an order, establishing a BPA, or in conjunction with the annual BPA review. However, the ordering activity shall seek a price reduction when the order or BPA exceeds the simplified acquisition threshold. Schedule contractors are not required to pass on to all schedule users a price reduction extended only to an individual ordering activity for a specific order or BPA.

8.405-5 Small business.

(a) Although the preference programs of part [19](#) are not mandatory in this subpart, in accordance with section 1331 of Public Law 111-240 ([15 U.S.C. 644\(r\)](#))—

(1) Ordering activity contracting officers may, at their discretion—

(i) Set aside orders for any of the small business concerns identified in [19.000\(a\)\(3\)](#); and

(ii) Set aside BPAs for any of the small business concerns identified in [19.000\(a\)\(3\)](#).

(2) When setting aside orders and BPAs—

(i) Follow the ordering procedures for Federal Supply Schedules at [8.405-1](#), [8.405-2](#), and [8.405-3](#); and

(ii) The specific small business program eligibility requirements identified in part [19](#) apply.

(b) Orders placed against schedule contracts may be credited toward the ordering activity's small business goals. For purposes of reporting an order placed with a small business schedule contractor, an ordering agency may only take credit if the awardee meets a size standard that corresponds to the work performed. Ordering activities should rely on the small business representations made by schedule contractors at the contract level.

(c) Ordering activities may consider socio-economic status when identifying contractor(s) for consideration or competition for award of an order or BPA. At a minimum, ordering activities should consider, if available, at least one small business, veteran-owned small business, service disabled veteran-owned small business, HUBZone small business, women-owned small business, or small disadvantaged business schedule contractor(s). GSA Advantage! and Schedules e-Library at <http://www.gsa.gov/fas> contain information on the small business representations of Schedule contractors.

(d) For orders exceeding the micro-purchase threshold, ordering activities should give preference to the items of small business concerns when two or more items at the same delivered price will satisfy the requirement.

8.405-6 Limiting sources.

Orders placed or BPAs established under Federal Supply Schedules are exempt from the requirements in part 6. However, an ordering activity must justify its action when restricting consideration in accordance with paragraphs (a) or (b) of this section—

(a) Orders or BPAs exceeding the micro-purchase threshold based on a limited sources justification.

(1) Circumstances justifying limiting the source.

(i) For a proposed order or BPA with an estimated value exceeding the micro-purchase threshold not placed or established in accordance with the procedures in [8.405-1](#), [8.405-2](#), or [8.405-3](#), the only circumstances that may justify the action are—

(A) An urgent and compelling need exists, and following the procedures would result in unacceptable delays;

(B) Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized; or

(C) In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order or BPA must not have been previously issued under sole-source or limited-sources procedures.

(ii) See [8.405-6\(c\)](#) for the content of the justification for an order or BPA exceeding the simplified acquisition threshold.

(2) Posting.

(i) Within 14 days after placing an order or establishing a BPA exceeding the simplified acquisition threshold that is supported by a limited-sources justification permitted under any of the circumstances under paragraph (a)(1) of this section, the ordering activity shall—

(A) Publish a notice in accordance with [5.301](#); and

(B) Post the justification—

(1) At the GPE www.fedbizopps.gov;

(2) On the Web site of the ordering activity agency, which may provide access to the justification by linking to the GPE; and

(3) For a minimum of 30 days.

(ii) In the case of an order or BPA permitted under paragraph (a)(1)(i)(A) of this section, the justification shall be posted within 30 days after award.

(iii) Contracting officers shall carefully screen all justifications for contractor proprietary data and remove all such data, and such references and citations as are necessary to protect the proprietary data, before making the justifications available for public inspection. Contracting officers shall also be guided by the exemptions to disclosure of information contained in the Freedom of Information Act ([5 U.S.C. 552](#)) and the prohibitions against disclosure in [24.202](#) in determining whether other data should be removed. Although the submitter notice process set out in Executive Order 12600 “Predisclosure Notification Procedures for Confidential Commercial Information” does not apply, if the justification appears to contain proprietary data, the contracting officer should provide the contractor that submitted the information an opportunity to review the justification for proprietary data before making the justification available for public inspection, redacted as necessary. This process must not prevent or delay the posting of the justification in accordance with the timeframes required in paragraphs (a)(2)(i) and (ii) of this section.

(iv) This posting requirement does not apply when disclosure would compromise the national security (e.g., would result in disclosure of classified information) or create other security risks.

(b) *Items peculiar to one manufacturer.* An item peculiar to one manufacturer can be a particular brand name, product, or a feature of a product, peculiar to one manufacturer). A brand name item, whether available on one or more schedule contracts, is an item peculiar to one manufacturer.

(1) Brand name specifications shall not be used unless the particular brand name, product, or feature is essential to the Government’s requirements, and market research indicates other companies’ similar products, or products lacking the particular feature, do not meet, or cannot be modified to meet, the agency’s needs.

(2) *Documentation.*

(i) For proposed orders or BPAs with an estimated value exceeding the micro-purchase threshold, but not exceeding the simplified acquisition threshold, the ordering activity contracting officer shall document the basis for restricting consideration to an item peculiar to one manufacturer.

(ii) For proposed orders or BPAs with an estimated value exceeding the simplified acquisition threshold, see paragraph (c) of this section.

(iii) The documentation or justification must be completed and approved at the time the requirement for a brand-name item is determined. In addition, the justification for a brand-name item is required at the order level when a justification for the brand-name item was not completed for the BPA or does not adequately cover the requirements in the order.

(3) *Posting.*

(i) The ordering activity shall post the following information along with the Request for Quotation (RFQ) to e-Buy (<http://www.ebuy.gsa.gov>):

(A) For proposed orders or BPAs with an estimated value exceeding \$25,000, but not exceeding the simplified acquisition threshold, the documentation required by paragraph (b)(2)(i) of this section.

(B) For proposed orders or BPAs with an estimated value exceeding the simplified acquisition threshold, the justification required by paragraph (c) of this section.

(C) The documentation in paragraph (b)(2)(i) and the justification in paragraph (c) of this subsection is subject to the screening requirement in paragraph (a)(2)(iii) of this section.

(ii) The posting requirement of paragraph (b)(3)(i) of this section does not apply when—

(A) Disclosure would compromise the national security (e.g., would result in disclosure of classified information) or create other security risks. The fact that access to classified matter may be necessary to submit a proposal or perform the contract does not, in itself, justify use of this exception;

(B) The nature of the file (e.g., size, format) does not make it cost-effective or practicable for contracting officers to provide access through e-Buy; or

(C) The agency's senior procurement executive makes a written determination that access through e-Buy is not in the Government's interest.

(4) When applicable, the documentation and posting requirements in paragraphs (b)(2) and (3) of this subsection apply only to the portion of the order or BPA that requires a brand-name item. If the justification and approval is to cover only the portion of the acquisition which is brand-name, then it should so state; the approval level requirements will then only apply to that portion.

(c) An order or BPA with an estimated value exceeding the simplified acquisition threshold.

(1) For a proposed order or BPA exceeding the simplified acquisition threshold, the requiring activity shall assist the ordering activity contracting officer in the preparation of the justification. The justification shall cite that the acquisition is conducted under the authority of the Multiple-Award Schedule Program (see [8.401](#)).

(2) At a minimum, each justification shall include the following information:

(i) Identification of the agency and the contracting activity, and specific identification of the document as a "Limited-Sources Justification."

(ii) Nature and/or description of the action being approved.

(iii) A description of the supplies or services required to meet the agency's needs (including the estimated value).

(iv) The authority and supporting rationale (see [8.405-6\(a\)\(1\)\(i\)](#) and [\(b\)\(1\)](#)) and, if applicable, a demonstration of the proposed contractor's unique qualifications to provide the required supply or service.

(v) A determination by the ordering activity contracting officer that the order represents the best value consistent with [8.404\(d\)](#).

(vi) A description of the market research conducted among schedule holders and the results or a statement of the reason market research was not conducted.

(vii) Any other facts supporting the justification.

(viii) A statement of the actions, if any, the agency may take to remove or overcome any barriers that led to the restricted consideration before any subsequent acquisition for the supplies or services is made.

(ix) The ordering activity contracting officer's certification that the justification is accurate and complete to the best of the contracting officer's knowledge and belief.

(x) Evidence that any supporting data that is the responsibility of technical or requirements personnel (e.g., verifying the Government's minimum needs or requirements or other rationale for limited sources) and which form a basis for the justification have been certified as complete and accurate by the technical or requirements personnel.

(xi) For justifications under [8.405-6\(a\)\(1\)](#), a written determination by the approving official identifying the circumstance that applies.

(d) *Justification approvals.*

(1) For a proposed order or BPA with an estimated value exceeding the simplified acquisition threshold, but not exceeding \$650,000, the ordering activity contracting officer's certification that the justification is accurate and complete to the best of the ordering activity contracting officer's knowledge and belief will serve as approval, unless a higher approval level is established in accordance with agency procedures.

(2) For a proposed order or BPA with an estimated value exceeding \$650,000, but not exceeding \$12.5 million, the justification must be approved by the competition advocate of the activity placing the order, or by an official named in paragraph (d)(3) or (d)(4) of this section. This authority is not delegable.

(3) For a proposed order or BPA with an estimated value exceeding \$12.5 million, but not exceeding \$62.5 million (or, for DoD, NASA, and the Coast Guard, not exceeding \$85.5 million), the justification must be approved by—

(i) The head of the procuring activity placing the order;

(ii) A designee who—

(A) If a member of the armed forces, is a general or flag officer;

(B) If a civilian, is serving in a position in a grade above GS-15 under the General Schedule (or in a comparable or higher position under another schedule); or

(iii) An official named in paragraph (d)(4) of this section.

(4) For a proposed order or BPA with an estimated value exceeding \$62.5 million (or, for DoD, NASA, and the Coast Guard, over \$85.5 million), the justification must be approved by the senior procurement executive of the agency placing the order. This authority is not delegable, except in the case of the Under Secretary of Defense for Acquisition, Technology, and Logistics, acting as the senior procurement executive for the Department of Defense.

8.405-7 Payment.

Agencies may make payments for oral or written orders by any authorized means, including the Governmentwide commercial purchase card (but see [32.1108\(b\)\(2\)](#)).

8.406 Ordering activity responsibilities.

8.406-1 Order placement.

(a) Ordering activities may place orders orally, except for—

(1) Supplies and services not requiring a statement of work exceeding the simplified acquisition threshold;

(2) Services requiring a statement of work (SOW); and

(3) Orders containing brand-name specifications that exceed \$25,000.

(b) Ordering activities may use [Optional Form 347](#), an agency-prescribed form, or an established electronic communications format to order supplies or services from schedule contracts.

(c) The ordering activity shall place an order directly with the contractor in accordance with the terms and conditions of the pricelists (see [8.402\(b\)](#)). Prior to placement of the order, the ordering activity shall ensure that the regulatory and statutory requirements of the requiring agency have been applied.

(d) Orders shall include the following information in addition to any information required by the schedule contract:

(1) Complete shipping and billing addresses.

(2) Contract number and date.

(3) Agency order number.

(4) F.o.b. delivery point; *i.e.*, origin or destination.

(5) Discount terms.

(6) Delivery time or period of performance.

- (7) Special item number or national stock number.
- (8) A statement of work for services, when required, or a brief, complete description of each item (when ordering by model number, features and options such as color, finish, and electrical characteristics, if available, must be specified).
- (9) Quantity and any variation in quantity.
- (10) Number of units.
- (11) Unit price.
- (12) Total price of order.
- (13) Points of inspection and acceptance.
- (14) Other pertinent data; e.g., delivery instructions or receiving hours and size-of-truck limitation.
- (15) Marking requirements.
- (16) Level of preservation, packaging, and packing.

8.406-2 Inspection and acceptance.

- (a) Supplies.
 - (1) Consignees shall inspect supplies at destination except when—
 - (i) The schedule contract indicates that mandatory source inspection is required by the schedule contracting agency; or
 - (ii) A schedule item is covered by a product description, and the ordering activity determines that the schedule contracting agency's inspection assistance is needed (based on the ordering volume, the complexity of the supplies, or the past performance of the supplier).
 - (2) When the schedule contracting agency performs the inspection, the ordering activity will provide two copies of the order specifying source inspection to the schedule contracting agency. The schedule contracting agency will notify the ordering activity of acceptance or rejection of the supplies.
 - (3) Material inspected at source by the schedule contracting agency, and determined to conform with the product description of the schedule, shall not be reinspected for the same purpose. The consignee shall limit inspection to kind, count, and condition on receipt.
 - (4) Unless otherwise provided in the schedule contract, acceptance is conclusive, except as regards latent defects, fraud, or such gross mistakes as amount to fraud.
- (b) *Services*. The ordering activity has the right to inspect all services in accordance with the contract requirements and as called for by the order. The ordering activity shall perform inspections and tests as specified in the order's quality assurance surveillance plan in a manner that will not unduly delay the work.

8.406-3 Remedies for nonconformance.

- (a) If a contractor delivers a supply or service, but it does not conform to the order requirements, the ordering activity shall take appropriate action in accordance with the inspection and acceptance clause of the contract, as supplemented by the order.
- (b) If the contractor fails to perform an order, or take appropriate corrective action, the ordering activity may terminate the order for cause or modify the order to establish a new delivery date (after obtaining consideration, as appropriate). Ordering activities shall follow the procedures at [8.406-4](#) when terminating an order for cause.

8.406-4 Termination for cause.

(a)(1) An ordering activity contracting officer may terminate individual orders for cause. Termination for cause shall comply with FAR [12.403](#), and may include charging the contractor with excess costs resulting from repurchase.

(2) The schedule contracting office shall be notified of all instances where an ordering activity contracting officer has terminated for cause an individual order to a Federal Supply Schedule contractor, or if fraud is suspected.

(b) If the contractor asserts that the failure was excusable, the ordering activity contracting officer shall follow the procedures at [8.406-6](#), as appropriate.

(c) If the contractor is charged excess costs, the following apply:

(1) Any repurchase shall be made at as low a price as reasonable, considering the quality required by the Government, delivery requirement, and administrative expenses. Copies of all repurchase orders, except the copy furnished to the contractor or any other commercial concern, shall include the notation:

Repurchase against the account of _____ [insert contractor's name] under Order _____ [insert number] under Contract _____ [insert number].

(2) When excess costs are anticipated, the ordering activity may withhold funds due the contractor as offset security. Ordering activities shall minimize excess costs to be charged against the contractor and collect or set-off any excess costs owed.

(3) If an ordering activity is unable to collect excess repurchase costs, it shall notify the schedule contracting office after final payment to the contractor.

(i) The notice shall include the following information about the terminated order:

- (A) Name and address of the contractor.
- (B) Schedule, contract, and order number.
- (C) National stock or special item number(s), and a brief description of the item(s).
- (D) Cost of schedule items involved.
- (E) Excess costs to be collected.
- (F) Other pertinent data.

(ii) The notice shall also include the following information about the purchase contract:

- (A) Name and address of the contractor.
- (B) Item repurchase cost.
- (C) Repurchase order number and date of payment.
- (D) Contract number, if any.
- (E) Other pertinent data.

(d) Only the schedule contracting officer may modify the contract to terminate for cause any, or all, supplies or services covered by the schedule contract. If the schedule contracting officer has terminated any supplies or services covered by the schedule contract, no further orders may be placed for those items. Orders placed prior to termination for cause shall be fulfilled by the contractor, unless terminated for the convenience of the Government by the ordering activity contracting officer.

(e) *Reporting.* An ordering activity contracting officer, in accordance with agency procedures, shall ensure that information related to termination for cause notices and any amendments are reported. In the event the termination for cause is subsequently converted to a termination for convenience, or is otherwise withdrawn, the contracting officer shall ensure that a notice of the conversion or withdrawal is reported. All reporting shall be in accordance with [42.1503\(f\)](#).

8.406-5 Termination for the Government's convenience.

(a) An ordering activity contracting officer may terminate individual orders for the Government's convenience. Terminations for the Government's convenience shall comply with FAR [12.403](#).

(b) Before terminating orders for the Government's convenience, the ordering activity contracting officer shall endeavor to enter into a "no cost" settlement agreement with the contractor.

(c) Only the schedule contracting officer may modify the schedule contract to terminate any, or all, supplies or services covered by the schedule contract for the Government's convenience.

8.406-6 Disputes.

(a) Disputes pertaining to the performance of orders under a schedule contract.

(1) Under the Disputes clause of the schedule contract, the ordering activity contracting officer may—

(i) Issue final decisions on disputes arising from performance of the order (but see paragraph (b) of this section); or

(ii) Refer the dispute to the schedule contracting officer.

(2) The ordering activity contracting officer shall notify the schedule contracting officer promptly of any final decision.

(b) *Disputes pertaining to the terms and conditions of schedule contracts.* The ordering activity contracting officer shall refer all disputes that relate to the contract terms and conditions to the schedule contracting officer for resolution under the Disputes clause of the contract and notify the schedule contractor of the referral.

(c) *Appeals.* Contractors may appeal final decisions to either the Board of Contract Appeals servicing the agency that issued the final decision or the U.S. Court of Federal Claims.

(d) *Alternative dispute resolution.* The contracting officer should use the alternative dispute resolution (ADR) procedures, to the maximum extent practicable (see [33.204](#) and [33.214](#)).

8.406-7 Contractor Performance Evaluation.

Ordering activities must prepare an evaluation of contractor performance for each order that exceeds the simplified acquisition threshold in accordance with [42.1502\(c\)](#).

Appendix B – Sample Blanket Purchase Agreement Format

MAS BPA Streamlines the Acquisition Process

BPA's help consolidate agency needs in many ways. Two examples are:

- A BPA can be set up for field offices across the nation, thus allowing them to participate in an agency-wide BPA and place orders directly with GSA Schedule contractors. In doing so, the entire agency reaps the benefits of additional discounts negotiated into the BPA.
- A multi-agency BPA can be established if the BPA identifies the participating Agencies and their estimated requirements at the time the BPA is established.

BPA's enable an ordering activity to prepare for anticipated purchases and become more proactive in its purchasing approach. Because an ordering activity is not buying products or services when it establishes the BPA, the ordering activity does not need to have the funding available when the BPA is established unless a minimum dollar value is guaranteed in the BPA (note this is not a requirement). When the funding becomes available, and the need becomes immediate, the ordering activity can make the purchase by placing a delivery or task order.

Schedule BPA's simplify the acquisition process for the ordering activity. An ordering activity does not need to synopsise requirements for purchase against a BPA. The only exception is for ARRA-funded purchases, which do require a plain-language synopsis of the acquisition need.

The Attraction of Schedule BPA's

Schedule BPA's offer many benefits. Most importantly, Schedule BPA's help ordering activities anticipate and prepare for recurring purchasing needs, and have less acquisition requirements than standard FAR contracts or traditional BPA's.

The government encourages the use of Schedule BPA's for the following reasons:

- Gives the ordering activity flexibility in acquiring the exact services, levels of effort, and periods of performance that it needs for acquisitions without having to go through a separate acquisition process for each purchase.
- Saves administrative time and money through consolidated payment and summary invoicing, thereby creating processing efficiencies.
- Pre-negotiated prices means that the government is receiving the best pricing from the contractor on all task orders associated with the Schedule BPA.

The contractor receives value in participating in a Schedule BPA for the following reasons:

- Simplifies production and revenue planning by providing an ongoing source of orders.

- Increases revenue through volume purchases. To earn the volume purchases, the contractor understands volume discounts must be provided.
- The streamlined acquisition process provides contractors with a quicker turnaround on orders and may improve cash flow.

Guidelines for Establishing BPAs for Work Requiring an SOW

If the BPA is for hourly rate services, the ordering activity must develop a Statement of Work (SOW) for requirements covered by the BPA. All orders under the BPA should specify a price for the performance of the tasks identified in the Statement of Work.

If the anticipated tasks are narrow in scope/complexity and repetitive in nature, such as mail management at one location, the ordering activity may follow the procedures for a Single Award BPA, as outlined in FAR 8.405-3. Once a Single Award BPA is established, ordering activities can place additional orders with the BPA holder without further “best value” selections.

If the anticipated tasks are broad in scope/complexity and repetitive in nature, such as engineering support services for multiple military bases, the ordering activity may then follow the procedures for establishment of a series of Multiple Award BPAs. When issuing an order from a Multiple Award BPA, the ordering activity must forward the RFQ to an appropriate number of BPA holders, as established in the BPA’s ordering procedures.

Whenever a BPA is being negotiated, the ordering activity should seek price reductions.

Establishing a Schedule BPA: Basic Information

Before an ordering activity can issue a task order against a Schedule BPA, the BPA must first be established. Similar to other acquisitions, a Schedules BPA has certain documentation requirements that provide a permanent record of the process used in evaluating Schedule solutions and placing the Schedule order or BPA. The documentation should be brief but detailed enough to demonstrate that the Schedule user followed the requirements of the FAR, the Schedule contract, and good business practice.

Most Schedule BPAs begin with general information such as the following:

- A statement that the document is a Schedule BPA
- A statement that the Schedule BPA is issued under authority of the BPA clause in the applicable GSA Schedule contract(s), including the contract number(s)
- Identification of the organization issuing the Schedule BPA
- Identification of the contractor

The Schedule BPA should include the signatures of ordering activity and Schedule contractor representatives who are authorized to bind the parties to the agreement. The Schedule BPA may include other elements required by FAR Subpart 8.406-1 for Schedule orders.

Award Types

Single Award BPAs

If the ordering activity establishes one BPA, authorized users may place the task order directly under the established BPA when the need for the supply or service arises.

When establishing a single BPA, the ordering activity should address the following:

- The frequency of orders, invoices, discounts, delivery locations and time
- Supplies or services to be ordered, and type of pricing, such as hourly rate services
- A Firm Fixed Price (FFP), Labor Hour or Time and Materials (T&M) pricing arrangement for individual task or delivery orders, as allowed in the GSA Schedule Contract
- Confirmation that a single BPA contractor can meet estimated requirements
- Declaration that the government seeks to obtain the best value from a single Schedule contractor, and considering quantity discounts, administrative savings and other benefits related to reduced acquisition lead-time
- Authorized users

To issue a single award BPA, the ordering activity must first issue a BPA RFQ. The ordering activity must evaluate all quotes submitted and select the contractor who provides the best value. When the ordering activity needs to purchase against the BPA, a task order RFQ is issued to the single BPA holder. The contractor submits a quote, which is evaluated by the ordering activity. The ordering activity decides if placing an order would be in their best interest.

One advantage of a Single Schedule BPA is all future orders are simplified because the ordering activity can go to a single vendor for all items covered by the BPA. Another advantage is vendors are enticed to provide better pricing and terms by leveraging the full value of the requirement to attract maximum competition.

Multiple Award BPAs

Multiple award BPAs are established with more than one Schedule contractor. Multiple award BPAs are appropriate when the ordering activity determines that more than one BPA is necessary to meet its needs, or when the requirement is less defined. Multiple award BPAs require ordering activities to make two best-value evaluations: Who receives the BPA? Who receives the task order?

The number of BPAs to be established is within the discretion of the ordering activity establishing the BPAs and should be based on a strategy that is expected to maximize the effectiveness of the BPAs. In determining how many BPAs to establish, the ordering activity should consider:

- The scope and complexity of the requirement(s)
- The need to periodically compare multiple technical approaches or prices
- The administrative costs of Multiple BPAs
- The technical qualifications of the Schedule contractor(s)

If the ordering activity establishes Multiple BPAs before placing an order exceeding the micro-purchase threshold, the ordering activity must forward the requirement, or SOW, and the evaluation criteria, to an appropriate number of Schedule BPA holders IAW the BPA ordering procedures. The ordering activity

must evaluate the responses received, make a “Best Value” determination and place the order with the Schedule BPA holder that represents the best value.

Choosing BPA Types

When an ordering activity has a requirement, the first decision that should be made is if an MAS BPA is appropriate to use. The ordering activity compares the performance work statement (PWS) to the GSA Schedules to see if there is a match.

Assuming the PWS is in-scope, the next step is to decide whether to issue a task order against a Schedule or to use a BPA. The reasoning behind using a BPA is based on whether or not the requirement is going to be recurring. If the requirement is not recurring, then the ordering activity should issue a task order, or a RFQ and submit an order based on the quotes.

If the requirement is recurring, the ordering activity must determine whether the requirement is broad or narrow. If the requirement is broad, a multiple award BPA should be used. A single award BPA should be used if the requirement is narrow.

BPA Specifications

The Schedule BPA must include the specifics of the agreement. The specifications should address the subjects below.

Multi-Agency Schedule BPAs. Agencies can join together to create a BPA that is limited to purchasers in any of the partner Agencies. The multi-agency Schedule BPA must identify the participating Agencies and each agency’s estimated requirements at the time the Schedule BPA is established.

Blanket Purchase Agreement period. The period of the Schedule BPA may be identified with specific start and end dates or from award to the expiration date. Schedule BPAs should not exceed five years in length, but may do so to meet program requirements. A contractor may be awarded a Schedule BPA that extends beyond the current term of the applicable GSA Schedule contract if there are option periods in the Schedule contract(s), if exercised, will cover the Schedule BPA’s period of performance.

FAR Subpart 8.405-3(d) requires an annual review of each Schedule BPA to determine if the BPA continues to represent the best value. It is possible to add options to a BPA, but there is no compelling reason to do so. Annual reviews are more flexible and streamlined than a full FAR Part 17 option review. A cancellation clause should be included in the BPA if issues occur so the government is able to cancel the BPA.

Frequency of ordering. The frequency of ordering should be described clearly based on available information. If the frequency of ordering is identified, the Schedule user should describe the frequency in the Schedule BPA. For example, the Schedule BPA might state that orders will be issued monthly based

on estimated ordering activity requirements for the following month. If the frequency of ordering is not known, the Schedule user should include a general statement that accurately describes the known information about the frequency of ordering. For example, the Schedule BPA may state that orders will be issued when requirements are identified by the ordering activity.

Delivery/performance period. When the Schedule BPA's delivery/performance period is known, the Schedule BPA should state the period. If the Schedule BPA covers a large number of services or supplies, it may be difficult or impossible to identify delivery/performance periods in the BPA. When various services will be provided based on a general Schedule BPA SOW, it may not be possible to identify the performance period in the BPA. In those cases, the Schedule BPA should state that the delivery/performance period will be identified in each BPA order.

Estimated requirements. Estimated requirements should be based on the best available estimate at the time the Schedule BPA is established. The estimates should describe the expected requirements for particular types of services or supplies over a period. The period is one year unless the Schedule BPA is for a shorter period.

The BPA should include a statement that the government is not obligated to make any purchases using the Schedule BPA. Common examples include:

- A statement such as "This Schedule BPA does not obligate any funds. The government is obligated only to the extent of authorized orders actually made under the BPA."; or
- A statement such as "The government estimates, but does not guarantee, that the volume of purchases using this Schedule BPA will be \$_____. This BPA does not obligate any funds. The government is obligated only to the extent of authorized orders actually made under the BPA."

Ordering activities may include a guaranteed minimum purchase amount in the BPA to get better pricing from the contractor. If the BPA contains such a guarantee, then the ordering activity must dedicate funds to cover the guaranteed minimum. However, it should be noted that this is not a requirement.

Delivery/performance locations. Schedule BPAs for supplies should either identify the location required for delivery or state that the location will be provided with each order. If Schedule BPA services will be performed at one or more known locations, the BPA should identify those locations. At a minimum, the Schedule BPA should identify the geographic area of BPA performance.

Price Reductions. The potential volume of orders under BPAs, regardless of the size of individual orders, offers the opportunity to secure greater discounts. FAR Subpart 8.405-4 requires Schedule users to seek price reductions:

- Before placing any order that exceeds the relevant maximum order threshold
- When the supply or service is available elsewhere at a lower price
- When establishing a BPA to fill requirements
- In conjunction with the annual BPA review
- When there are other reasons for requesting a price reduction

Any additional discounts obtained should be identified in the resulting Schedule BPA. Identification may take any form appropriate to the acquisition situation. Most often it will be a percentage reduction or a reduced price list applicable to the BPA.

Schedule contractors are not required to pass a price reduction extended to an individual ordering activity for a specific order on to all Schedule users.

Invoice address. If the contractor will submit all Schedule BPA invoices to the same address, the BPA should identify that address. If different orders will require that invoices be sent to different addresses, the Schedule BPA should state that invoices must be submitted to the address specified on each order.

Invoice consolidation. Examples of invoice consolidation requirements include the following statements:

- A summary invoice must be submitted at least monthly or upon expiration of the Schedule BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets examined therein, stating their total dollar value, and supported by receipt copies of the delivery tickets.
- An itemized invoice must be submitted at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received.
- When billing procedures provide for an individual invoice for each delivery, these invoices must be accumulated, provided that:
 - A consolidated payment will be made for each specified period; and
 - The period of any discounts will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period, whichever is later.

Evaluations and rationales. When establishing MAS BPAs, the ordering activity must document the following:

- The evaluation methodology used in selecting the contractor to receive the BPA(s)
- The rationale for any tradeoffs in making the selection
- The fair and reasonable price determination required by FAR Subpart 8.405-2(d) for BPAs with hourly rate services
- The results of the annual review

If applicable, the ordering activity must document the following:

- The circumstances and rationale for restricting consideration of Schedule contractors to fewer than required in the Schedule ordering procedures
- The rationale for placing an order other than firm-fixed price or performance-based

Sample BPA Format

A BPA does not need to be a long document. The sample BPA template on the next page is available as a Word document on the GSA website at www.gsa.gov/bpaformat.

Schedule BPA Order Placement

If the ordering activity establishes a single award Schedule BPA, authorized users may place the order directly under the established BPA when the need for the supply or service arises.

If the ordering activity establishes Multiple Award Schedule BPAs, each BPA should include procedures for providing BPA holders a fair opportunity to provide the services and/or supplies identified in the BPA. The ordering activity must:

- Forward the requirement or Statement of Work (SOW), and the evaluation criteria, to an appropriate number of BPA holders, as established in the BPA ordering procedures; and
- Evaluate the responses received, make a best value determination, and place the order with the BPA holder that represents the best value.

If the ordering activity establishes a BPA for hourly rate services, the ordering activity must develop an SOW for requirements covered by the BPA. All orders under the BPA shall specify a price for the performance of the tasks identified in the SOW.

The procedures for placing Schedule BPA orders must conform to applicable FAR, agency, and ordering activity requirements.

Any required order element included in the Schedule BPA does not need to be included in orders under the BPA.

Sample BPA Format

BPA NUMBER _____	
(CUSTOMER NAME) BLANKET PURCHASE AGREEMENT	
Pursuant to GSA Federal Supply Schedule Contract Number(s) _____ and Federal Acquisition Regulation (FAR) 8.405-3, Blanket Purchase Agreements (BPAs), the Contractor agrees to the following terms of a BPA EXCLUSIVELY WITH _____ (Ordering Agency):	
(1) The following contract services/products can be ordered under this BPA. All orders placed against this BPA are subject to the terms and conditions of the contract, except as noted below:	
ITEM (Model/Part Number or Type of Service)	SPECIAL BPA DISCOUNT/PRICE
(2) Delivery:	
DESTINATION	DELIVERY SCHEDULE/DATES
(3) The Government estimates, but does not guarantee, that the volume of purchases through this agreement will be _____.	
(4) This BPA does not obligate any funds.	
(5) This BPA expires on _____ or at the end of the contract period, whichever is earlier.	
(6) The following office(s) is hereby authorized to place orders under this BPA:	
OFFICE	POINT OF CONTACT
(7) Orders will be placed against this BPA via Electronic Data Interchange (EDI), FAX, paper, or oral communications.	
(8) Unless otherwise agreed to, all deliveries under this BPA must be accompanied by delivery tickets or sales slips that must contain the following information as a minimum:	
(a) Name of Contractor; (b) Contract Number; (c) BPA Number; (d) Model Number or National Stock Number (NSN); (e) Task/Delivery Order Number; (f) Date of Purchase; (g) Quantity, Unit Price, and Extension of Each Item (unit prices and extensions need not be shown when incompatible with the use of automated systems; provided, that the invoice is itemized to show the information); and (h) Date of Shipment.	
(9) The requirements of a proper invoice are as specified in the Federal Supply Schedule contract. Invoices will be submitted to the address specified within the task/delivery order transmission issued against this BPA.	
(10) The terms and conditions included in this BPA apply to all purchases made pursuant to it. In the event of an inconsistency between the provisions of this BPA and the Contractor's invoice, the provisions of this BPA will take precedence.	

Using Existing Schedule BPAs

The BPA may specify the methods that the Schedule user can use to place an order. If the BPA does not specify an order placement method, the BPA user can use any method permitted by the Schedule contract, FAR, agency, and ordering activity guidelines.

The contents of each individual order will depend on the contents of the BPA. The required information not included in the BPA must be included in each individual order.

There is no dollar limitation for BPAs established by ordering activities with contractors under the Schedules program.

The ordering contracting officer must review BPAs annually to determine whether the BPAs continue to represent the best value.

DFARS 208.405-70(b) and (c) require that any DOD ordering activity seeking to place orders exceeding the simplified acquisition threshold should provide fair notice of the intent to make the purchase to as many relevant Schedule contractors as practicable so that the ordering activity can receive offers from at least three contractors. If less than three contractors submit quotes, the contracting officer should document the efforts made to obtain three quotes. By opening the quote to a greater number of contractors, DOD ordering activities ensure that they have fulfilled the DOD competition requirements, even if less than three quotes are received.

When a single BPA is established, subsequent task orders may be placed without additional competition against the BPA. For multiple award BPAs, contracting officers subject to the DFARS and guided by the DFARS PGI 208.404-70 additional ordering procedures should send the complete RFQ (including SOW and selection criteria) to all multiple award BPA holders.

Price Reductions

Ordering activities should seek additional price reductions, increased discounts or concessions when placing an order under a GSA Schedule contract or BPA. Contractors often will “sharpen their pencils” to obtain a large Schedule contract order. GSA Schedule contractors are not required to grant all Schedule users a price reduction extended to an individual customer for a specific order.

The ability to seek additional price reductions and concessions allows the Government not only to leverage its combined requirements to obtain favorable prices, terms, and conditions, but also to leverage agency requirements to take advantage of quantity or spot discounts available in a fluid, commercial pricing atmosphere.

An ordering activity should try to seek further price reductions when requirements warrant reductions. Price reductions allow ordering activities to take advantage of flexible and dynamic pricing in the commercial marketplace. By requesting a price reduction, the ordering activity can maximize its use of GSA Schedule contracts by taking advantage of factors such as:

- Competitive forces

- Technological changes
- Labor conditions
- Supply and demand
- Industry sales goals
- Inventory reductions

An ordering activity should seek price reductions for any size Schedule contract order, and must seek price reductions if a requirement exceeds a Schedule contract's maximum order threshold. The maximum order varies among contracts and is listed in every GSA Schedule contractor's pricelist and on GSA *Advantage!*[®]. In response to the ordering activity's request for a price reduction, the contractor may:

- Offer a lower price;
- Offer the current Schedule contract price; or
- Decline the order.

If further price reductions are not offered, the order may still be placed by the ordering activity because GSA has determined the contract prices to be fair and reasonable.

BPA Task Order Documentation

When placing an order from a BPA, the ordering activity must document:

- The BPA holder from which the supply or service was purchased A description of the supply or service purchased
- The amount paid
- The fair and reasonable price determination required by FAR 8.405-2(d) for BPAs with hourly rate services
- If applicable, the rationale for using other than a firm-fixed price order or a performance-based order

If ordering from multiple BPAs, in addition to the above documentation, the ordering activity shall document:

- The BPAs considered
- The evaluation methodology used in selecting the BPA holder to receive the order
- The rationale for any tradeoffs in making the selection

Socio-economic Considerations for BPAs

Just as with individual Schedule task orders, an ordering activity may consider socio-economic conditions when on a contractor to establish a BPA. FAR Subpart 8.405-5 states that although the mandatory preference programs of FAR Part 19 do not apply, orders placed against Schedule contracts may be credited toward the ordering activity's small business goals.

Although set-asides do not apply to the MAS program, an ordering activity may limit competition to small businesses in selecting the Schedule BPA holders to whom they send an RFQ. Under the current rules, any Schedule BPA holder may submit a quote and the ordering activity must consider it. The ordering activity may choose socioeconomic objectives as one of its source selection factors and this factor, in addition to price and other factors may result in an award to a small business over a non-small business.

If an ordering activity decides to consider socio-economic status when identifying contractor(s) for consideration or competition for award of an order or BPA, it should, consider using at least one of the following Schedule contractor(s):

- Small business
- Veteran-owned small business
- Service disabled veteran-owned small business
- HUBZone small business
- Women-owned small business
- Small disadvantaged business

For purposes of reporting an order placed with a small business Schedule contractor, an ordering agency may only take credit if the awardee meets a size standard that corresponds to the work performed. The ordering activity should rely on the small business representations made by Schedule contractors at the contract level. Contractors must recertify their size status prior to the exercise of an option or if another company, notwithstanding the execution of a notation, acquired the company.

GSA *Advantage!*® and GSA eLibrary contain information on the small business representations of Schedule contractors.

The task order contracting officer may request a size recertification at the task/delivery order level for any of the following reasons:

- The NAICS code used on the Schedule contract is different than that representing the preponderance of the work on a particular task order, and the NAICS codes have different size standards
- The size standards for the NAICS codes changed
- The contractor was large at the time of Schedule contract award but has subsequently become smaller due to a decrease in average annual gross receipts or number of employees
- Any combination of the above

BPA Annual Review

The ordering activity that established a BPA must review it at least once a year to determine whether:

- The Schedule contract upon which the BPA was established is still in effect;
- The BPA continues to represent the best value; and
- Estimated quantities/amounts have been exceeded and additional price reductions can be obtained.

The ordering activity must document the results of its review and should take appropriate action based on the results of the review. For example, the ordering activity should consider whether it is appropriate to seek additional price reductions under the current BPA or initiate a new competition for a replacement.

FEDERAL AUDIENCE ICON

MILITARY AUDIENCE ICON

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Building Flexibility, Speed & Value into Acquisition

The Challenge

Acquisition organizations across the military and Federal Government are challenged everyday in balancing the acquisition needs of end users to fulfill mission requirements with acquisition regulatory requirements and statutory procurement goals. To fulfill mission needs, agencies require contract vehicles that provide: 1) flexibility to fulfill the acquisition requirement, 2) speed to ensure the need is met in a timely manner and 3) overall value to the acquisition and end user organizations. However, organizations must ensure there is proper oversight and control of procurement dollars spent and small business procurement goals are achieved for their agency while balancing the needs of their user community.

The U.S. Army Aviation and Missile Command (AMCOM) has been working diligently to achieve this balance since 1997 when the Base Realignment and Closure (BRAC) merger of the aviation and missile missions brought two distinctly different methods of acquisition together at AMCOM. A multiple award task order program had been used for aviation advisory and assistance services while numerous stand-alone contracts, designed to support one program manager or functional organization, had been used for missile advisory and assistance services.

In 2000, AMCOM awarded 12 multiple award IDIQ 5-year contracts for advisory and assistance services in logistics, programmatic and technical categories. There were 10 small business primes, 2 large business



primes and over 200 subcontractors. While several organizations utilized these contracts; a couple of major customers did not. A primary reason these customers sought acquisition support outside of AMCOM was because they were not satisfied with the processing time of their Task Orders by AMCOM.

When these contracts entered their last contract period in 2004, AMCOM began work on the next procurement for aviation and missile advisory and assistance services for the following categories: Logistics, Technical, Programmatic and Business & Analytical. AMCOM's objective in re-competing these services was a contracting vehicle that would:

- ✦ Reduce Lead Times and Simplify the Acquisition Process
- ✦ Maximize Value & Increase Flexibility for Customers
- ✦ Enhance Small Business Opportunities & Performance
- ✦ Comply with Competition Requirements

The Solution

In developing their contracting vehicle, AMCOM considered three strategies:

- 1) Improve their current contracts;
- 2) Establish individual stand-alone contracts or
- 3) Utilize GSA Schedules to establish Blanket Purchase Agreements (BPAs).

The strategy was clear to AMCOM after considering the benefits of establishing BPAs against GSA's Schedules:

Since the labor rates were pre-negotiated and already determined to be fair and reasonable on GSA Schedules, AMCOM would not need to conduct audits of the proposed labor rates nor timely one-on-one negotiations.

With these time savings, AMCOM no longer had to limit the labor categories. All labor categories could be available via the Schedules as well as flexible pricing arrangements (fixed price, time & materials and labor hour).

BPA's would provide for a streamlined task order process.

Additional discounts could be negotiated at the BPA and/or Task Order level, providing greater savings.

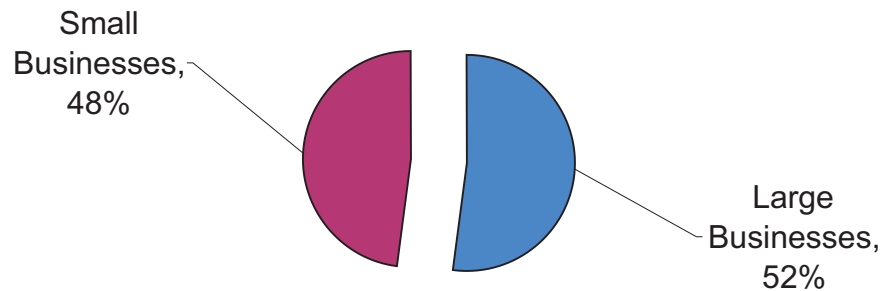
r 10% average discount off potential value of task orders. Equates to \$527 million in potential savings over the next 5 years.

r During the first year, AMCOM Express awarded approximately 200 task orders with 64% going to small businesses.

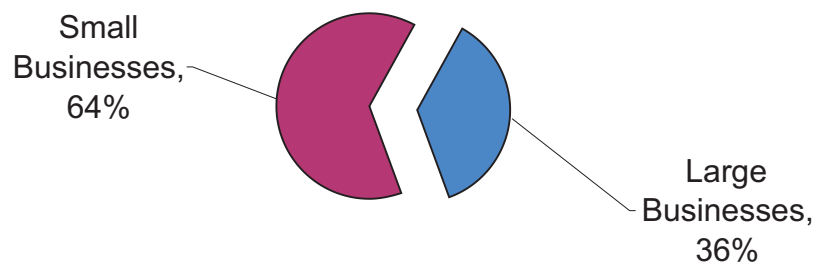
Flexibility in meeting the statutory small business procurement goals was achieved by the dynamic teaming arrangement available under Schedules/BPA's which gave AMCOM the ability to make direct awards to small business team members.

During the first year, AMCOM Express awarded approximately \$470 million in task orders with 48% being awarded to small businesses.

\$ Task Orders Awarded



Task Orders Awarded



The Solution (continued)

Contractor Teaming Arrangements also allowed Primes and subcontractors to work together to fulfill large or complex requirements.

Additional flexibility was added via the "Annual Open Season" which provides the ability to add additional BPA holders or new service categories when socioeconomic improvement is needed, existing Primes exit the program or the pool of expertise for new task order efforts need to be enhanced. Also, Primes/Team Leads would be able to adjust team members and subcontractors to facilitate new small business participation.

Schedule contracts have already been awarded in compliance with all applicable laws and regulations.

Using Blanket Purchase Agreements against GSA's Schedules has resulted in a balance of flexibility, speed and value for AMCOM while ensuring proper oversight and control of acquisition dollars and fostering small business procurement goals.

Working with GSA

"The turning point in determining our acquisition strategy came when GSA came to us and explained how its Schedules could meet our acquisition and program objectives. We challenged them to show us where a comparable procurement using GSA Schedules had been successful; and they did. We visited this customer and observed their program using GSA's Schedules and its success.

"When we announced our strategy to go with BPA's against GSA's Schedules, many local small businesses didn't have a GSA Schedule and were afraid they would have to spend thousands of dollars to get one. GSA set up two 1-day training sessions for the 170+ local businesses to help alleviate their fears and concerns about the announcement.

"GSA continues to be a valued partner in our acquisition program by serving as the point of contact for contractors with GSA-related issues."

*Kathy B. Ray
Chief, Express/Strategic Services Division
Acquisition Center, AMCOM*

